# **Israel Puts** Pullout From West Bank Into Doubt

Rabin Losing Support As Terror Attacks Fuel Anger Over Peace Pact

By Barton Gellman

Washington Past Service
JERUSALEM — Fourteen months after reaching a limited peace with the Palestine Liberation Organization, Israel's gov-erning Labor Party leadership has concluded that the next steps toward peace, including the withdrawal of the army from the occupied West Bank, cannot proceed in the way that Israel agreed to in the accord signed on the White House

Last week, Israel handed over the last of five agreed self-rule powers to Palestinians in the occupied West Bank, permitting them to collect their own taxes and manage their own hospitals and medical clinics. But the real centerpiece of the agreement — pulling Israel's army out of Arab towns and villages — is now in doubt. Prime Minister Yitzbak Rabin debated

the most graceful way to extricate himself from that promise at a cabinet meeting on Sunday, six days before he flies to Oslo to receive the Nobel Peace Prize. Senior members of his government and the Labor Party made contradictory proposals last week, but all appear to agree that with-drawal of the army in the foreseeable future is impractical.

[Israel's military intelligence chief, General Uri Saguy, told the cabinet on Sunday that rival armed factions were turning the Gaza Strip into another Lebanon, Agence France-Presse reported. The economic management of the authority was also deficient, according to General Saguy, who was addressing ministers as part of the debate on how to ensure security under the next stage of Palestinian autonomy. The discussions on the issue are expected to discussions on the issue are expected to

continue Wednesday.] What is driving the renewed debate is first and foremost a decline in public support for Mr. Rabin's Labor coalition. Some cabinet ministers say openly that public outrage at a two-month surge in terrorist attacks, which is expressing itself as disapproval of the peace pact with Yasser Arafat, the PLO chairman, could cost Labor the 1996 election.

"The people aren't willing to participate in the risks that the government is willing to take to advance peace, said Nissim Zvili, the Labor Party secretary-general and a member of Parliament. Mr. Zvili said the government did not have an answer to terrorism and should halt the peace talks where they are for another "two

years, meaning after the elections." Mr. Rabin has not endorsed that view, but he is signaling strong reluctance to withdraw the armed forces, as the agreement mandates, from "populated areas" of the West Bank. That withdrawal was scheduled to take place before the Palestinians hold elections for their self-rule authority, elections that were supposed to

have been held before now. Nabil Abu Irdineh, an adviser to Mr. Arafat, noted that the PLO leader was facing internal challenges. "We need this election," he said, to beat back critics from the Islamic Resistance Movement who oppose Mr. Arafat's accord with Israel.

Israelis "are under pressure, and we are See PEACE, Page 4



Israeli policemen arresting a Druze cleric in Jerusalem during a protest Sunday by several thousand Druze. Nine policemen and several protesters were injured.

# In Somalia, It's as if Intervention Didn't Happen

By Keith B. Richburg

Washington Past Service MOGADISHU, Somalia — The ubiquitous "technicals" are back - pickup trucks mounted with anti-aircraft guns once again roving the dusty, rubblestrewn streets.

Back, too, are the swaggering young men in T-shirts and sandals, with Kalashnikov rifles slung over their shoulders, extorting money from passing vehicles at makeshift roadblocks.

Traveling around the streets of Somalia's capital today is strikingly reminiscent of the days in 1992, when chaotic warfare among rival militias plunged Somalia into anarchy and a famine that prompted a U.S.-led military interven-

Once again, to traverse Mogadishu,

Kiosk

thugs, hoping they will deliver protection for a hundred bucks a day, plus time off for lunch.

Gone are most of the foreign troops who manned sandbagged checkpoints although the sandbags are still there. "I think the looters use them," one Somali said of the deserted bunkers.

U.S. Marines first landed on the beaches of this port city two years ago this week to launch Operation Restore Hope, a humanitarian mission aimed at ending the devastating famine and imposing some order on the chaos. Billions of dollars were spent and 36 Americans killed before U.S. combat forces were

Today, there is no famine in Somalia - the country is enjoying record har-

Mr. Yeltsin's remarks, on the eve of the

52-nation conference, underscored the dif-

ficulties that leaders will have in agreeing

on ways to maintain and enhance Europe-

The Bosnian conflict, raging not far

Mr. Yeltsin and leaders from the United

from Hungarian borders, remains a glaring

an security in the post-Cold War era.

reminder of instability in Europe.

moment. But the capital is bracing for a new clan war that most Somalis and foreigners fear is inevitable.

And the United Nations - technically in command of the operation since May 1993, but really only in charge since the Americans left — has been reduced to irrelevancy. The UN mission is due to pull out early next year, and its leaders appear to be more concerned with planning that withdrawal than with what is happening outside the fortified UN com-

Many Somalis say they see few tangible benefits from two years of foreign military intervention. "The United States has spent a lot of money, but we don't see where all that money has gone," said Ahmed Sheik Ibrahim, 33.

"The Americans have shown a bit of kindness to us. But we never got any money from them.'

Now, outside the gates of the sprawling UN compound, unemployed young men, disgruntled job-seekers and hangers-on watch angrily as militaria to the compound of the compound o lars of equipment — and with it, their hopes — is locked in crates and loaded onto trucks to be shipped away.

"There's no one getting assistance from the UN," said Ahmed Mahamud Farah. "There's fighting in Somalia every day. There's refugees. If they're not helping these people, they should just get on their boats right now and go."

One African diplomat who has been trying to mediate between the factions

See SOMALIA, Page 4

pher said before meeting Foreign Minister Laszlo Kovacs of Hungary. "That should

be a measure of this meeting."
But Mr. Christopher said there would be

no return to the confrontation of the Cold

"We're working together on a number of problems," he said. "We will always have

areas of disagreement, we will always have

things to talk through and work through

together as two major powers naturally

See CSCE, Page 4

Russia wants a commanding role in Eu-

War neriod.

# Republicans Call for Major Air Strikes Against Serbs

Dole and Gingrich Blast UN as Incompetent and Lament Role of NATO

By Paul F. Horvitz

WASHINGTON — The two top Republican leaders in Congress ridiculed the UN peacekeeping effort in Bosnia on Sun-

day and called for a major bombing cam-paign against the Serbian military.

Secretary of State Warren M. Christo-pher, responding to the barshest domestic attack yet on the Clinton administration's Bosnia policy, immediately challenged the Republican strategy as a prescription for a major ground war that would require thousands of American troops.

He labeled it "a war strategy" doomed to failure and contrary to U.S. national

Using their most explicit language to date and outlining virtually identical poli-cies, Senator Bob Dole of Kansas and Representative Newt Gingrich of Georgia said in broadcast interviews that NATO and the United Nations had been embarrassingly ineffective in Bosnia.

"When you get to a serious problem with serious violence," Mr. Gingrich said, "the United Nations is literally incompe-

tent, and it kills people by its behavior."
The two officials, who will take over as leaders of the Senate and House of Representatives in January, called for a sharply toughened U.S. policy against the Serbs combined with an effort to arm and train Bosnian Muslims.

Mr. Gingrich suggested sending General Colin L. Powell, the retired chairman of the Joint Chiefs of Staff, to Belgrade to issue an unmistakable threat of massive air strikes to "paralyze" Serbian society unless ground fighting ceased.

At the same time, the Georgia congress-man singled out the United Nations as "a totally incompetent instrument wherever it matters." He said Washington should "radically overhaul" its view of the world body, which obtains substantial financing from the United States.

The Republicans' position signals a possible effort by Congress, when control shifts from Democrats to Republicans in early January, to put greater pressure on President Bill Clinton to lead an unequivo-

cal campaign against the Serbs.

Mr. Dole, despite hearing contrary views last week in direct talks with NATO leaders, said UN forces should withdraw from Bosnia and the North Atlantic Treaty Organization should start "robust" bombing of any and all Serbian military targets,

though probably not Belgrade itself. "There's a big question about the conduct of NATO because of this disastrous, humiliating affair," the Kansas senator

Mr. Gingrich, in a blistering attack on the United Nations, said its behavior in Bosnia, "looking pathetic and helpless,"

had resulted in many deaths there.

General Powell, he said, should tell the Serbian leadership in Belgrade and inside Bosnia that if they pursue a general offensive, "We would reserve the right to take you apart and we would do it in three to five days and we would paralyze your capacity to function as a society. And

See BOSNIA, Page 4

#### States, Canada, Europe and the former "He is an officer in the intelligence service," the spokesman said. The Libyan news agency JANA, moni-

tored in Cairo, said he was "an innocent citizen" on a visit to France for medical treatment.

Page 4.

#### Yeltsin Faces NATO at Budapest Summit Compiled by Our Staff From Dispatches be able to deal with future crises like Bos-Soviet Union began gathering here Sunday for a two-day meeting of the Conference nia in a more effective way," Mr. Christo-

on Security and Cooperation in Europe.

The meeting will try to agree on ways to

prevent more Yugoslav-style conflicts, but

Russia's concerns that NATO plans to

take in East European states would leave it

isolated, disagreements about peacekeep-

ing in the former Soviet Union, and differ-

ences over Bosnia are now likely to domi-

nate the meeting.

President Bill Clinton is to pay a brief

visit Monday. Secretary of State Warren M. Christopher arrived Sunday.

ing to try to strengthen CSCE in order to

"The president and others will be work-

**France Detains** BUDAPEST -- President Boris N. Yeltsin of Russia made it clear Sunday that he Libyan in Probe would use a European security summit meeting to drive home Moscow's opposition to the expansion of NATO.

PARIS (Reuters) --- A Libyan intelligence agent is being held in France in an investigation into the 1989 midair bombing of a French DC-10 airliner in which 171 people died, an Interi-

or Ministry spokesman said Sunday. He said Ali Omar Mansour was detained on Thursday in Paris and would be handed over on Monday to the anti-terrorist magistrate, Jean-

Bridge

Louis Bruguière, for questioning.

Page 4.

# For Palestinians in Gaza, There's a New Foe: Arafat

eter of just how far Yasser Arafat has fallen in his own homeland.

by addressing them in Hebrew. In interrogation sessions, jailed Islamic militants begin their answers to Palestinian investigators with "katzin," the Hebrew word for officer. Some answer only in

Hebrew, which they learned from years spent in Israeli jails. "It's hurting them," said a member of Hamas, the Islamic resistance movement,

who was recently released from jail.
"We are breaking them down," he said. "Some avert their eyes, can't look at you straight. Others become aggressive. But their morale is sinking. By the time they let us go, they have little doubt Palestinians hold them in contempt as Israel's new

henchmen in Gaza." The Hamas message is painfully blunt. the tactic effective and the impact wide-

In Gaza and increasingly in the West Bank, Palestinians who once regarded Israel as the sole enemy have come to see the

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Palestine Liberation Organization and its chairman, Mr. Arafat, as another enemy. By Youssef M. Ibrahim New York Times Service Mr. Arafat, 65, his 10,000 PLO police-GAZA — Gaza's jails provide a barommen and the few hundred PLO bureaucrats and supporters he brought with him from exile in Tunisia are sinking into deep-Palestinians taunt their jailers, employer isolation, becoming the object of deriees of Mr. Arafat's Palestinian Authority, sion and distrust.

In the short space of time since he arrived here in July after three decades of struggling from Jordan, Lebanon and Tunisia, Mr. Arafat is finding little warmth among Gazans and evaporating support among Palestinians on the West Bank. It amounts to a state of open rebellion, to which he has responded with repression

On the streets of Gaza, there are many of what Israelis and many Palestinians See ARAFAT, Page 4



CLEAR THE WAY — Alberto Tomba racing to victory Sunday in the World Cup slalom at Tignes, France. Page 19.

# Russia Scans the Stars, and the Future Is Mostly Bad

By Fred Hiatt gton Post Service

MOSCOW - In Russia, astrologers do

not sugarcoat the news. "Today is a largely dangerous day," one recent, typical horoscope warned from the pages of the newspaper Kommersant.

"You may end up broke," one warning goes. "This day is entirely unsuitable for undertakings of any sort."

The next day may not be any better: "Frand, cheating and crooked deals are only a small fraction of the troubles that threaten to disrupt all your plans today," another Kommersant chart began.

Banned in Soviet days as beneath the dignity of scientific Marxism, astrology has caught on in a big way in the new Russia Russians may hear their future on the radio, see it on television, call for a personalized account by telephone or read it in almost any newspaper or magazine.

Even in the official government newspa-per Rossiskie Vesti, there is a horoscope devoted entirely to health: "Your health reserves are low," it warned one day. "You may have problems with your spine," it added. Or, "It would be best to refrain from sexual relations. Diseases beginning today may last a long time."

Even when the signs are auspicious, Russian astrologers can find a downside. "A growing energy field during this week will be a stimulus for action," the astrologer of Moskovsky Komsomolets predicted recently. "But if you don't surrender to its influence, the result may be a serious disease or nervous breakdown."

It is no secret, of course, that Americans love happy endings - to the point of childishness, many Russians say - while Russians enjoy wallowing in the trough of despondency. No one curls up with a bowl of popcorn and "The Brothers Karamato cheer up.

Neither is there any question that many Russians' lives are exceedingly troubled. If you fight for the communal toilet every morning, get splattered by street slush every day and scrimp on sugar for your tea each evening, you may justifiably

feel skeptical of a rosy horoscope. But the difference in astrological approach raises questions: Are the planets really so different over the Western Hemisphere? Are American astrologers lying to spare their readers pain? Or could it be that Russians are unhappy, at least in part,

See STARS, Page 4

#### Deutsche Bank Fights Back to **Save Reputation** By Alan Friedman

PARIS - When Hilmar Kopper presents Deutsche Bank's latest financial results Wednesday in Frankfurt, the bank's chairman may be forgiven if he sighs with deep relief that 1994 is finally drawing to a

Although still one of Europe's most powerful financial institutions, with a triple-A credit rating, Deutsche Bank has been beset by a series of financial and political mishaps in recent months, and its platinum-plated image has been dented

Both analysts and even some of the bank's own executives concede that 1994 has been one of the worst periods in the bank's 125-year history. It has been a year in which the giant German bank has been humbled by mistakes and outside criticism as never before.

People thought Deutsche Bank was invincible really, and it now seems not so invincible," said Robert Grant, an analyst

at UBS Securities in London. Even looking down the road, many analysts say, the bank appears to lack the kind of dynamic leadership and visionary strategy associated with Alfred Herrhausen, egy associated with Allieu Additional Mr. Kopper's predecessor, who was slain by terrorists five years ago.

In fairness, Deutsche Bank - which was once described as being "like God in Frankfurt" -- suffers from being by far the most visible of all German banks. Thus both its successes and failures are magni-

The bank's financial strength - as mea-

See BANK, Page 11

By Alan Riding New York Times Service

PARIS — France's presidential election campaign is barely under way, but this country's place in Europe is already emerging as a central issue, with the outcome of the vote certain to influence the pace of Europe's unity drive through the end of the century.

Under President François Mitterrand, France has been a key promoter of regional integration, Mr. Mitterrand himself helped design the Treaty on European Union, which was signed in the Dutch town of Maastricht three years ago and set the stage for turning the 12nation bloc into a federation.

But when the treaty was only narrowly approved by French voters in a referendum in September 1992, it became apparent that many were worried that a strong Europe would under-mine French identity and independence. Now everything suggests that they will have to choose between two sharply contrasting visions of Europe in the elections next spring.

If, as seems likely, the Socialist Party nominates Jacques Delors, it will pick a man who has long campaigned for a more centralized Europe from his post as head of the union's exec-



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Edouard Balladur and the Chirac, oppose anything resembling a European federation.

The uncertainty about France's future European policy has already begun to cause decades on what is known here as "European construction."

Last week, Chancellor Helmut Kohl had first-hand experi-

**Everything suggests** that voters will have to choose between two sharply contrasting visions of Europe.

ence of the French debate when he received French leaders in

There is and will be more and more of a federal and integrated Europe," Mr. Mitterrand said at a news conference attended by both the German chancellor and the French

Mr. Balladur diplomatically responded that the debate on Europe should not be trapped in "outdated models." But in an article in Le Monde, he said bluntly that a European Union with a growing number of members "cannot be federal."

With Austria, Sweden and Finland joining in January and several East European countries seeking admission, he noted that a federal Europe could work only through majority

"Therefore, the five big states representing four-fifths of the population and wealth could be

British Conservatives view it as European.

DUTY FREE ADVISORY

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In contrast, the two main tantamount to dismantling the contenders for the conservative monarchy, while many German candidacy, Prime Minister politicians, who already live in a federal republic, are undis-Gaullist party leader, Jacques turbed by the idea of greater power-sharing within Europe.

Indeed, it was a position paper prepared recently by Mr. Kohl's Christian Democratic Party that set off the debate in unease in Germany. Paris and France. It proposed that a hard Bonn have worked together for core of European nations specifically, Germany, France, Belgium, the Netherlands and Luxembourg - move shead of the others toward federation, with the first step being adop-

tion of a common currency. Both Mr. Balladur and Mr. Chirac were quick to oppose this, aware that their Rally for the Republic party had been divided by the Maastricht treaty referendum and convinced that public support for a federal Europe has further eroded since

Rather, Mr. Balladur's vision is something resembling Euro-pean union à la carte, with different countries working together on, say, monetary, social or security issues when their interests coincided.

Significantly, while stressing that the alliance with Germany would remain central to French policy, he also said that France should seek closer ties with Britain, Spain and Italy.

Unsurprisingly, the perception is that Mr. Kohl would prefer Mr. Delors to be Mr. Mitterrand's successor. Mr. Delors has said he will respond to the offer of the Socialist nomination before Christmas. Current polls indicate that he would defeat either Mr. Balladur or Mr. Chirac if the presidential elections were held now.

But when it comes to campaigning, Mr. Delors may have to temper his European message to fit France's more nationalist and introspective put in a minority," he said mood. Not only will he face "And this they will not permit." attacks from the Gaullist candi-In truth, European leaders dates, but three minority parties have never agreed on what they - one on the left and two on mean by "federal." Hornfied the right - are openly antiPassengers leaving the U.S. ship Gettysburg in Djibouti, where some were taken.

#### Achille Lauro Survivors Arrive in Kenya

Q & A: Hungarian Renaissance

Mediocre Musical Fraternity' Gives Way to New Ideas

got worse.

tra come about?

is a permanent fixture?

MOMBASA, Kenya — A group of 106 cheering survivors from the Achille Lauro disaster arrived here on Sunday at the end of an ordeal that began when the liner burst into flames off Africa last week.

The cargo ship MSC Lucy brought the crew members to Mombasa, shipping officials said. Four other ships carrying about 500 passengers and crew are expected in Mombasa on Sunday night, they added. Other survi-

Ivan Fischer, director of the Budapest Festi-

val Orchestra, has been in Paris as a guest

conductor. He spoke with Meggan Dissly for

Q. What was it like to be an artist in

A. It was all very fraternal. There was never

any real competition. Artists engaged in a

collective meditation about the arts. The state

made sure that no one stood out. If one

person won a prize one year, it would go to

someone else the next. Artists didn't even

think in terms of commercial success or inter-

national recognition. They were not even

aware of it. I'm talking about the real artists.

A. Today, music critics are no longer our

friends. They might even criticize us. All of a

sudden, audiences matter; books have to sell

so many copies. There is a large pool of

mediocre artists who are complaining today

because they don't know what to do without

their safe jobs. So far, the theaters and orches-

tras have not been totally abandoned. State

subsidies are just now beginning to shrink. But in my opinion, very few of the "artists"

can make it even if they haven't lost their jobs

Q. Don't some artists welcome the change?

A. I am disappointed by the resistance to change in Eastern Europe. Nobody is admit-ting it, but the artists didn't really want the wall to fall. This is true even of my own

musicians. They were happier under the for-

mer system. They complain and don't want to

Q. What effect did communism have on

A. The world of music was incredibly claus-

trophobic. There was no daring, no new ideas. It was all very gray and comfortable. At times

it may even have been interesting, but it

Q. How are they faring now?

the International Herald Tribune.

Hungary before 1989?

vors have arrived in the port of Djibouti. Also on Sunday, it was announced that an elderly Dutchwoman who survived the Achille Lauro sinking had died after falling ill on a rescue vessel. A Dutchman is still missing, Italian Coast Guard officials said.

Almost 1,000 passengers and crew abandoned the Achille Lauro after the fire broke out last Wednesday. They were transferred to 10 rescue ships off the coast of Somalia. Two other elderly passengers died in the accident.

didn't matter since it was art for its own sake.

The good musicians either left, or stayed and

Q. How did the Budapest Festival Orches-

A. In 1983, I assembled 80 of Hungary's

finest musicians to perform at a festival. We

used Western-style methods to raise the mon-

ey for the performance ourselves - ticket

sales, sponsors. We were an immediate suc-

cess. Afterwards we were invited to all the

major music festivals in Paris, London and

Salzburg. The orchestra quickly became a

symbol of the dissident movement. It gave me

courage to see that the public wanted change.

Q. Today the Budapest Festival Orchestra

A. Yes. We have combined the best of the

American system of sponsoring and the Euro-

pean tradition of subsidies. Our budget is \$2

million a year. The state contributes about

half. The rest is private support coming from

Q. What should be done to promote culture

A. We must be brutal in cutting subsidies.

Money should only go to projects that work. I

think the free market will be good for the arts.

We have a chance to create something won-

derful in Eastern Europe. That is why I am

going back. Culture is our very best shot. We'll be much better off competing in the arts than in agriculture or high-tech. The transi-

tion from state subsidizing is boring and should be put quickly behind us.

A. I don't sense much enthusiasm. I have a hunch that Eastern Europe will reject the free market and try some new form of socialism. If that happens, I won't have a place there.

Q. And if the transition to a free market

A. Then Eastern Europe could become the

Q. Is this opinion shared by many?

our Foundation Endowment Fund.

TOKYO (Reuters) - Former Prime Minister Toshiki Kaifu hinted on Sunday that he would run for the top post of a new political party that aims to unseat Prime Minister Tomichi Murayama's coalition.

WORLD BRIEFS

GROZNY, Russia (Reuters) - Chechnya's Russian-backed opposition appeared to send out conflicting signals over strategy on Sunday as pressure from Russia mounted to end fighting in the

breakaway southern region. Moscow is moving troops to Chechnya's borders to back up threats that it will clamp down hard if the

opposition and the region's separatist leader, President Dzhokhar

Ruslan I. Khasbulatov, a former Russian Parliament chairman

abruptly left the region for Moscow. He said the buildup of

Russian troops had made his work superfluous. "Russia is bring-

ing in troops," he said before leaving his ethnic homeland. "As you know I was always against this development."

with the Chechen crisis said the Chechen Provisional Council

opposition movement of Umar Avturkhanov had told Moscow it

was ready for peace talks. But Mr. Avturkhanov said at his base at

Znamenskoye that his men would not lay down their arms. He

said he had given President Dudayev an ultimatum: Give himself

Bonn Party Leader Threatens to Quit

BONN (Reuters) - A threat by the Free Democrat leader

Klaus Kinkel to quit if his party's ministers are barred from

holding parliamentary seats has rattled a party already in turmoil

As Mr. Kinkel issued his warning, Free Democratic Party

members launched an attack and one called for the 57-year-old

leader to be replaced. Party members have long been critical of

Mr. Kinkel's ability to cope with his double function as party

Mr. Kinkel's threat was the latest blow to the party, the junior

partner in Chancellor Helmut Kohl's center-right coalition. It is struggling to carve out a new liberal profile since suffering a string

of humiliating election defeats this year. Mr. Kinkel has taken most of the blame for the party's slide.

Kaifu May Seek to Lead New Party

Shortly afterward, a Russian government center set up to deal,

The disarray in opposition ranks came when a key figure,

Dudayev, do not lay down their arms.

up or face the consequences.

leader and foreign minister.

over its future, officials said Sunday.

Chechen Opposition Is in Disarray

The New Frontier Party, a merger of nine opposition groups with 213 lower and upper house members of Parliament, is due to select its first leader on Thursday, two days before its official

"When the time comes, I will consider the matters comprehen-sively," Mr. Kaifu said. "I will make my feelings known on the seventh." the Wednesday deadline to announce the candidacy. He

#### **Upposition Leads Italy Runoff Races**

is a former member of the Liberal Democratic Party.

ROME (Reuters) --- Centre-left opposition candidates were set to win mayoral runoff races in four of six Italian cities in local elections on Sunday seen as a test of political sentiment, according to a television exit poll.

بالشد ياوية

In Brescia, the closest watched race, the former Christian Democrat leader Mino Martinazzoli was forecast to win 57.5 percent of the vote against 42.5 for Industry Minister Vito Gnutti of the Northern League, the poll said. The poll, by the Abacus group for RAI television, also forecast victory for opposition candidates in Sondrio. Massa and Brindisi. The first round of voting was held on Nov. 20.

The opposition Democratic Party of the Left and the centrist Popular Party, successor to the Christian Democrats, formed local alliances to challenge candidates from the coalition parties in Prime Minister Silvio Berlusconi's government.

#### Algerian Editor Dies of Wounds

TUNIS (Reuters) - The editor of Le Matin, an Algerian daily, died on Sunday, a day after he was attacked by suspected Muslim fundamentalist gunmen, and the government said it was giving high priority to preventing such attacks.

The official Algerian press agency APS said the editor, Said Mekbel, died in at 9 A.M., the third Algerian journalist killed by

suspected Muslim guerrillas in a 72-hour period.

The international group Reporters Without Borders said Mr. Mekbel was the 27th journalist killed in the North African country since June 1993.

#### For the Record

Hungary's worst train accident in 26 years, which claimed the lives of 29 people and injured 52, was caused by human negligence, MTI news agency quoted the police as saying Sunday. An express train derailed on Friday night because of an incorrect setting of the points at Szajol station, 120 kilometers (75 miles) east of Budapest

Gunnen shot and killed a Georgian opposition leader and badly wounded his wife, a former deputy prime minister. A police spokesman said, Georgy Chanturia, 35, head of the opposition National Democratic Party, died after gunmen raked the car near his home in Tbilisi with machine-gun and automatic rifle fire. His wife, Irina Sarishvili, a member of Parliament, suffered several

TRAVEL UPDATE

# 3 Killed in Shooting at Swedish Club

The Associated Press STOCKHOLM — Gunmen opened fire early Sunday on a

seeking revenge after being

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FREE EVALUATION

trendy nightclub, killing three and a scuffle broke out," Mr. people and wounding 18. The police believe the killers were later."

does succeed?

world center of the arts.

turned away by the doorman. The police said they had issued an arrest warrant for a man who had a history of vio- after the scuffle. lent crime. Two other men were also involved in the killings, actary camouflage jackets, shot cording to the police.

Walter Kegoe, the head of dows, touching the violent crimes division, said the building. investigators believed the earlier in the night.

Theraten Towers

is ask the butler...

The shooting took place at 5:15 A.M. at the Sture Company discotheque in central Stockholm, a little more than an hour

through the doors and windows, touching off panic inside

The police said two of the shooting with an automatic rifle victims, one of whom was said resulted from an altercation to be one of the doormen, died earlier in the night,

"Several people were turned an, died on the way to a hospiaway by the doormen earlier tal.

S-I-N-G-A-P-O-R-E

Berger (1977) Brown (1984) (1984) Party of the Committee (1984)

N.Y. Airports Get Tough on Hustlers

NEW YORK (NYT) - The Port Authority of New York and New Jersey, which runs the three major airports serving the New York City area, has taken steps to enforce a new law against hustlers who often target foreign tourists.

Ground-transportation hustlers at the airports now face up to \$1.500 in fines and 45 days in init! A total of 75 illand drivers have

\$1,500 in fines and 45 days in jail. A total of 75 illegal drivers have been arrested since the law took effect Nov. I, a port authority police sergeant said. In the past, hustlers faced only \$50 fines.
Hustling charges can be filed against people who pretend to help with luggage and then either charge the tourist dearly for the service or steal the bags: limousine drivers who solicit riders without previous arrangements, and taxi drivers who overcharge.

#### This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Haiti, Thailand. TUESDAY: Finland, Spain.

WEDNESDAY: Ivory Coast.

THURSDAY: Argentina, Austria, Brazil, Chile, Colombia, Costa Rico, Italy, Liechtenstein, Macao, Malia, Monaco, Nicaragua, Panama, Paraguay, Portugal, Peru, Spain, Vatican City. FRIDAY: Tanzanja.

SATURDAY: Equatorial Guinea, Kenya, Namibia, Thailand.

Sources: J.P. Morgan, Reuters.

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# THE AMERICAS / GOUNTING GRANGES Most Murder Victims Killed by Strangers

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Compiled by Our Steff From Dispatches
WASHINGTON — The FBI on Sunday reported a shift in U.S. murder patterns in the 1990s, saying that the majority of victims were now killed by strangers. Every American now has a realistic chance of murder victimization in view of the random nature the crime has assumed," the FBI said its annual report on

crime in the United States. In the past, most murders took place during what the FBI called "clearly defined circumstances such as crimes, passion and arguments among family members or acquaintances."

In a separate report, the FBI said the number of serious crimes in the United States fell by 3 percent in the first six months of 1994, continuing a decline that began in 1992. The crime rate fell by 5 percent last year and 2 percent in 1992.

The FBI divides serious crimes into two categories: crimes of violence, like murder and rape, and crimes against property like burglary and arson.

half of 1994 from the same year-ago period.

صكذا من الاعل

murders fell 2 percent, rapes decreased 6 percent, robberies went down 4 percent and aggravated assault dropped 3 percent.

Officials offered no explanation for the trend and cautioned against too much optimism. "Any decline in reported crime is welcome, but the level of crime is still unacceptably high and it must be substantially reduced," said Louis Freeh, the FBI

Gerald M. Capian, a former federal law-enforce-

Crimes of violence dropped 4 percent in the first ment official who is dean of the McGeorge School of alf of 1994 from the same year-ago period.

Law in Sacramento, California, offered a note of caution, saying that data collection "is not so refined" that one can safely predict a trend in this area."

Demographics could explain some of the modest decline, Mr. Caplan and others suggested. They pointdropped 3 percent.

Of the property crimes, burglaries dropped 6 percent, while larcenies and car thefts each declined 2 percent. Only the arson rate showed no change.

The decreases occurred after a dramatic eight-year upswing fueled by a wave of inner-city murders and drug-related incidents involving deadly assault weapone.

decline, Mr. Capian and others suggested. They pointed to the shrinking numbers of Americans in the 18-to-26 age group, which accounts for most violent crime.

Jan Chaiken, an authority on crime figures at the Justice Department, said, "People also are working more to protect themselves, which is why we have seen a decline in burglaries and car thefts."

The FBI also issued its final figures for 1993, which

The FBI also issued its final figures for 1993, which showed that 14.1 million serious offenses were reported that year to law-enforcement agencies across the nation, or 5,483 crimes for every 100,000 inhabitants. Aggravated assaults accounted for 59 percent of the violent crimes reported last year. Robberies accounted for 34 percent; forcible rapes 5 percent, and murders 1 (Reuters, LAT)

Whitewater independent coun-sel, Kenneth W. Starr.

Mr. Starr's office declined to

comment about the Hubbell in-

vestigation. Although Mr. Hub-

bell has agreed in principle to

plead guilty to two felony

counts, lawyers were described

as still working on the wording of the formal plea agreement.

ed, Mr. Starr's office did not

want to make any comments

that might jeopardize it or make

People involved in the inves-

tigation said Mr. Hubbell had

agreed in principle to plead

guilty to two counts rather than face an indictment with more

counts and potentially stiffer

penalties that Mr. Starr was

He has been under investiga-

tion for reportedly overcharg-

ing his law firm and the federal

government for its representa-tion of regulators involved in a

The charges in the draft in-

dictment are only marginally

related to the Arkansas real es-

tate venture that has given the

Some of the false billings un-

der investigation are said to

have involved work that Mr.

Hubbell did for U.S. regulators

examining Madison Guaranty Savings & Loan, which was op-

erated by the Clintons' partner

in Whitewater, James B.

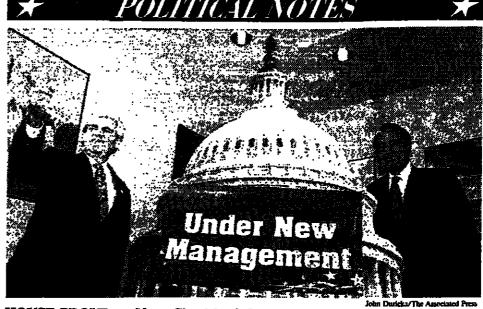
Whitewater inquiry its name.

savings and loan case.

prepared to seek.

Mr. Hubbell reconsider.

Until it is formally complet-



HOUSE PROUD -- Newt Gingrich of Georgia, left, the future speaker of the House, and the incoming Senate majority leader, Bob Dole of Kansas, meeting with the press in Washington with a model of their new acquisition, the Capitol building.

#### Toughest Task for Daschle

WASHINGTON -- In electing Tom Daschle to lead them for the next two years, the 47 Democrats of the new Senate have chosen to tread close to the political path they have followed since Bill Clinton became pres-

Mr. Daschle, a South Dakotan who turns 47 next week, campaigned all summer as a reformer of the Senate's Gordian knot of rules and traditions, as a man who would ramrod legislation onto the floor and get senators home at a decent hour. That was back when Democrats ran the chamber and fully expected to keep doing so.

But Democrats will be in the minority in the 104th Congress, which convenes next month, and Mr. Daschle's reform plans are moot. What distinguishes him now are his unusually close ties to a president and a first lady whom any number of Democratic senators blame for their loss of power.

Mr. Daschle's hardest task could be convincing the Senate's Democrats, almost half of whom opposed him in the election last week, that he can stand up to Mr. Clinton.

What we needed in the last Congress, and did not have, was a leadership that could sit down in the White House and say to the president, 'That won't work, that will fail,' " said a top aide to one senator who opposed Mr. Daschle. "And I don't know who that's going to be in the elected leadership now."

#### **Drugs and the White House**

WASHINGTON — Up to a quarter of White House staff members used illegal drugs in the four to five years before they began The Georgia Republican said those figures were proof that "you've got scattered throughout this administration counterculture people."

In a broadcast interview, Mr. Gingrich said that he "had a senior law enforcement official tell me that in his judgment, up to a quarter of the White House staff, when they first came in, had used drugs in the last four or five

He said the administration had had "huge problems getting people through security clearance" because there were so many people "who had a lot of things that weren't very easy to clear."

The White House had no immediate comment on the allegation.

Mr. Gingrich's remarks came as he tried to explain a statement he made several weeks ago that President Bill Clinton and his wife were "counterculture McGovern-niks."

He asked how Mr. Clinton could have a surgeon general. Dr. Joycelyn Elders, who has advocated the legalization of drugs. "I assume he shares her values," he said. "I assume he thinks it's O.K."

Asked about his acknowledgment that he, like Mr. Clinton, had smoked marijuana as a youth, Mr. Gingrich said, "That was a sign we were alive and in graduate school in that era."
Mr. Gingrich, 51, is three years older than the

#### Quote/Unquote

Barbara Sinclair, a political scientist at the University of California at Riverside, on the lack of dissenting voices among the new Republican majority in Congress: "Of the few true generalizations you can make about politics, one of them is that new majorities tend to be more cohesive.'

# White House Uneasy Over Whitewater Plea Accord

By Stephen Labaton New York Times Service

WASHINGTON - White House officials have expressed surprise and apprehension about reports that Webster L. Hubbell, a close friend of Presi-dent Bill Clinton, has agreed to and cooperate with Whitewater of the Clintons or Whitewater," investigation.

Bracing themselves for a new round of political criticism, the officials nonetheless said that they did not believe the plea agreement would have any sig-

**Away From Politics** 

• Scores of young people fleeing a brawl in an overcrowded nightchib in Eliza-

beth, New Jersey, became trapped in a narrow stairwell, where they were

crushed, killing four -- including a 13-

vear-old girl - and injuring at least 20.

• Federal funding for creating human embryos solely for research purposes will be prohibited, the Clinton administra-

tion said. The decision does not consti-

tute a ban on human embryo research,

nor does it prohibit federal funding for

research on "spare" human embryos fer-

tilized for possible implantation in pa-

tients of in-vitro fertilization clinics.

• The University of New Hampshire re-instated a professor who had been sus-

pended for classroom remarks that stu-

dents said amounted to sexual

harassment. The trustees agreed to pay J.

Donald Silva, 59, \$60,000 in back pay and damages, plus \$170,000 in legal fees.

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nificant legal ramifications for the White House.

Department, did not have any incriminating information or Hillary Rodham Clinton.

prosecutors in their expanding said a close aide to the president. "The charges are totally unrelated and arise out of Hubbell's billing practices in Little Rock."

ficant legal ramifications for plea agreement would bring in January. "It can be expected that he will be called in 1995."

They said Mr. Hubbell, once and that Republicans would Senator Alfonse M. D'Athe No. 3 official in the Justice point to it as another sign of a mato, Republican of New tarnished presidency.

about either President Clinton said that Mr. Hubbell's deci- plea agreement "confirms the The disposition of this case, hearings next year imperative its investigation into the many plead guilty to felony charges if true, does not concern either and that it was now inevitable unanswered questions concernthat they would demand his tes- ing the Whitewater controvertimony. "We had requested Hubbell

Privately, though, some offi-cials expressed concern that the buse Banking Committee of now being examined by the

His "transgression": To illustrate simile,

he described belly dancing as being "like

Jell-O on a plate with a vibrator under

• The airborne windshear warning sys-

tem on USAir Flight 1016, which crashed July 2 in Charlotte, North Caro-

lina, killing 37 people, was useless because of a design that delayed its warn-

ing until just before impact, the National

• A Southwest Airlines jetliner made an

emergency landing at Burbank, Califor-

nia, after the pilot reported mysterious

fumes that annoyed some passengers.

• The body of a 76-year-old man in the early stages of Alzheimer's disease was

found in Seligman, Arizona, near the

remote area where his wife survived two

Transportation Safety Board said.

No fumes were found.

weeks stranded in their van.

York, who will head the Senate Congressional Republicans Banking Committee, said the sion had made Whitewater need for Congress to continue

Mr. Clinton has referred to as a witness last year, and the Mr. Hubbell as his closest majority turned us down," said friend. He was also Mrs. Clin-Representative Jim Leach. Re-ton's partner at the Rose Law

> • A federal judge has upheld a jury's award of \$7.9 million in damages to a Springfield, Virginia, man who destroyed his liver by an apparently toxic reaction after he took Tylenol and drank wine. The drug maker, a unit of Johnson

• Harvard University announced that David Rockefeller, an alumnus and former chairman of Chase Manhattan Bank, had given the university \$11 million to establish a center for Latin American

& Johnson, will appeal.

• Prosecutors dropped charges against Margaret Kelly Michaels, the former day care teacher who spent five years in prison before her 1987 conviction for child sex abuse at the Wee Care Nursery of Maplewood, New Jersey, was overturned on appeal last year.

WP, LAT, AP, NYT

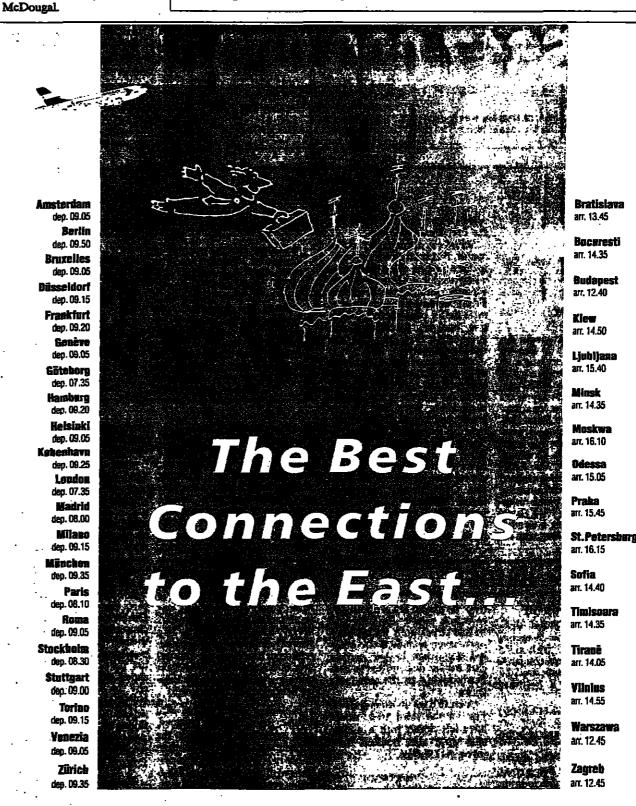
their jobs, the future speaker of the House, Newt Gingrich, asserted Sunday.

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U.S. Gets

**Nowhere** 

In Talks

With Serbs

Compiled by Our Staff From Disputcher
BUDAPEST — U.S. officials

said Sunday that they had made

little progress in new peace

talks with the Bosnian Serbs.

even against a background of

growing pressure for United Nations peacekeepers to pull

Secretary of State Warren M.

Christopher said Charles Red-man, an aide who met Saturday

with the leadership of the Bos-

man Serbs, described the talks

A U.S. official said earlier

that Mr. Redman had made no

headway trying to persuade the leader of the Bosnian Serbs, Ra-

dovan Karadzic, to join talks on

a plan from the five-nation

"There was no indication Karadzic had moved, nor did we expect him to," the official

The Bosnian Serbs have so far rejected the peace plan, which would give them roughly,

half of the former Yugoslav re-

group nations relaunched their

peace plan in Brussels on Fri-

day, hinting they could allow

some form of confederation be-

tween the Bosnian Serbs and

Foreign Secretary Douglas Hurd of Britain and his French

counterpart, Alain Juppe, will brief Mr. Christopher and other

leaders on talks they held Sun-

In a news conference after

meeting with Mr. Hurd and Mr.

Juppe, President Slobodan Mi-losevic of Serbia said he fully

agreed with the peace plan and

called for an immediate end to

the fighting.
Mr. Hurd has warned that if

progress is not made soon, the

UN will have little option but to

withdraw its more than 22,000

peacekeeping troops and leave the Bosman Serbs and the Mus-

lim-led Bosnian government

forces to fight it out.

The British lieutenant gener-

al who commands UN forces in

Bosnia, Sir Michael Rose, ech-

oed Mr. Hurd's frustration Sun-

day, saying: "You cannot go on-peacekeeping in a vacuum. We have seen a certain impasse

velop over the summer months, and we're probably seeing the

UN Secretary-General Bu-tros Butros Ghali said Saunday that contingency plans for a pullout of the UN troops were

Bosnian Serbs released 20

British and 33 Dutch peace-

keepers, 53 of the total 402 they

were holding as insurance

against further NATO air

strikes. And UN military con-

voys reached the Muslim en-

claves of Gorazde and Bihac

this weekend. (Reuters, AP)

Russia Vetoes UN Rebuke

Russia unexpectedly broke

with the United States and the

European allies over Bosnia by

casting a rare veto to block a

UN Security Council resolution

that contained a rebuke to the

Serbs, The Washington Post re-

ported from New York.

**SOMALIA:** 

consequences of that now.

well advanced.

kinsmen in Serbia.

day in Belgrade.

Ministers from the contact

'contact group."

as "useful but not decisive."

# U.S. to Speed Asylum Process

# Changes Seek to Reduce Backlog and Abuses

By Steven Greenhouse New York Times Service

WASHINGTON - Concerned that tens of thousands of people have applied for political INS announced. asylum as a method of getting a job in the United States, the Immigration and Naturalization Service has announced major changes in the process with an eye to deporting undeserving applicants

The INS said that to reduce the backlog of 425,000 asylum seekers, many of whom hold jobs during the year or more that it takes for their cases to be decided, it would double the number of asylum officers, interview all new applicants within 60 days and seek to dispose of new cases within 180 days.

Doris Meissner, the agency's commissioner, said the asylum program needed to be revamped because of the embarrassing backlog and wide-

But the INS said it had scrapped a plan to impose a \$130 asylum application fee. Critics of the fee had argued that many applicants would have difficulty paying it.

Ms. Meissner also announced two other politinever be granted entry.

cally sensitive decisions. One would grant entry to some Cuban children being held at the Guantánamo Bay Naval Station and in Panama. The other would deny temporary protection to tens of thousands of refugees from El Salvador in the United States.

tain work permits within 90 days of applying, ed in their homeland. encouraging many people to apply because they know they can work during the long wait as their cases are caught up in the backlog.

To discourage this, asylum applicants from December.

now on will be given work permits only after they are granted asylum or if there is no final determination of their application within 180 days, the

Using money authorized by the anti-crime legislation enacted this year, the agency will more than double the number of asylum examiners, to 334. The number of immigration judges will rise to 179 from 116.

The goal will be first to keep current with the 13,000 asylum applications filed each month, outcome that officials hope can be achieved by April, and then to start trimming the backlog.

Ms. Meissner said the government would in-terview the 3,000 Cuban children being held in Guantánamo and Panama and would grant entry, on a case-by-case basis, to those facing the greatest hardships. Their parents will be admitted with them.

Ms. Meissner denied that the decision was an about-face for the administration, which said repeatedly last August, when thousands of Cu-bans headed toward Florida in rafts, that those subsequently detained at Guantánamo would

Ms. Meissner also announced that the Clinton administration would terminate on Dec. 31 the protected status that has allowed almost 200,000 refugees from El Salvador to remain in the Unitf thousands of refugees from El Salvador in the States while a civil war raged at home. She said that status was being ended because violence and human rights abuses had greatly abat-

The refugees first received temporary protected status in 1990, and President Clinton extended it last year. It is due to expire at the end of

#### **AMERICAN TOPICS**

A Tradition: Piety in Public Places

Across the United States, city councils begin the most routine business sessions with an invocation. Athletes bow heads and join hands in the locker room as they would in a church. And the vigilance of civil libertarians for the constitutional separation of church and state notwithstanding, creches still pop up on public property at Christmastime.

Such open displays of piety may puzzle or amuse non-Americans. But public acknowledgement of the divine remains an integral part of life in much of the United States, Gustav Niebuhr notes in The New York

"You have to realize that America is, of the most advanced industrial nations, the most religious, said Robert N. Bellah, professor of sociology at the University of California at Berkeley and an author of "Habits of the Heart: Individualism and Commitment in American Life" (HarperCollins).

A poll released last year by a consortium of social science research centers showed that, among the dozen technologically advanced nations surveyed, belief in God was highest in the United States and Ireland.

In the United States, popular piety has been nourished by the very fact that it is voluntary, say those who study religion and

**Short Takes** 

Tony Berryman, 54, of Detroit, was so frustrated by squatters in his vacant house that he

doused it with gasoline to burn it, and possibly to collect insurance, firefighting officials said. But he was killed when a pilot light set off an explosion, trapping him inside.

Lots of people drive motorcycles to work. But how many ride brand new Harley-David-sons at work? Jeff Nesbit rolls them off the assembly line and hops on for test drives at the Harley factory in York, Pennsylvania. He has done it 65 times a day for five years. That is more than 80,000 bikes, or about \$800 million worth of custom chrome, steel, leather and rubber. "There's no better job on Earth," says Mr. Nesbit, 34, a smile connecting his bushy sideburns. "And I get paid for it!" Since the biggest Harleys are nicknamed "hogs," he could be described, perhaps, as being in Hog Heaven.

Actors Equity takes a dim view of people who take pictures in theaters. In addition to copyright problems, The New York Times notes, the flashbulbs momentarily blind the actors, who then may blunder into a one-ton piece of moving scenery. At a recent matinee of "Sunset Boulevard," Glenn Close made her entrance to a mass popping of flashbulbs. Normally ushers rush down the aisle to stop these people, but they were all in the lobby dealing with late arrivals. So Miss Close took matters into her own hands. Dropping out of character, she announced, "Ladies and gentlemen, we can either have a photo session or we can go on with the show, but we cannot do both." The house went wild, the shutterbugs were squelched and the show went on.

Gem of the Day, from the Ann Landers advice column: Winter is the season when the children leave open the doors they slammed

International Herald Tribune

# Swiss Vote To Tighten Handling of **Foreigners**

BERN — Swiss voters on Sunday overwhelmingly backed government plans to tighten asylum procedures and make it easier to expel foreign crimi-

In a reflection of popular anger against foreign drug dealers, 72.8 percent, or 1.4 million people, voted in favor of the tougher measures. About 530,000 people voted against. Turnout was 43 percent.

The new law allows local authorities to detain foreigners without proper papers for three months, and in certain instances six months, pending a decision on their asylum application or deportation.

This is mainly aimed at people who have applied for refu-gee status and then committed a

humanitarian traditions of our country," the government said in a pre-vote brochure.

Once a person has been refused asylum, he or she must and accept an armed truce."

Both Republican leads only basis on which we can maintain our humanitarian pol-

Switzerland granted refugee status to 18,000 people last In Zurich, the center of the country's biggest open drug scene and violence between competing dealers, 80.6 percent

tougher approach. Parliament approved the tougher law in March. But opponents collected the 50,000 Sunday that dir signatures needed under the Swiss system of direct democracy to challenge it in a national

Continued from Page 1

consider ominous signs. White-washed and freshly painted less

than two months ago at a cost of \$3 million to \$4 million to remove anti-Israeli graffiti, the

walls of Gaza, particularly those leading to Mr. Arafat's

residential and office complex by the seaside, are again full of

But now the villain is Mr.

Arafat and his Fatah militia

and police force, who are de-

el's loyal servants" and "the

Gaza, which was experienc-

"bats of darki

nounced as "killers of Palestin- as "corrupt traitors."

ing the euphoria of liberation peace and prosperity.

violent slogans.

dogs of Arafat."

WHAT THEY'RE READING



# expulsion. Our generosity toward people in need is inscribed into the ple in need is inscribed into the ple in need is inscribed into the

Continued from Page 1.

we're telling you to just back off Both Republican leaders were highly critical of Mr. Clinton's handling of Bosnia policy. After initially outlining a more aggressive policy in Bosnia than NATO allies in Europe, the White House recently approved shift aimed at aligning with Europe in pressing for a diplo-matic solution. Europeans complain that their troops are bearing the peacekeeping burden in Bosnia without American help of voters were in favor of the

> White House officials said Sunday that diplomatic efforts had not been exhausted and that bombing would only wors-

from Israel's occupation this

summer, is now brimming with

In November, PLO police-

men shot at demonstrators op-

posing Mr. Arafat's policies.

Fourteen people were killed

and 200 were wounded. Pales-

tinian militants shot at cars car-

rying PLO secret police offi-

cials, wounding some. And

demonstrators demanded the

resignation of four of Mr. Ara-

fat's top aides, describing them

who looked forward to an era of

under pressure as well," Mr. Abu Irdineh said. "We want

our legitimacy to come from the

people. Any delay is very dan-

gerous. Peace is now at a very

critical and sensitive period. If peace fails, everybody will pay

The problem for Mr. Rabin is

that he and many independent

analysts have come to believe

that the agreement signed in

Washington has a logical flaw.

the two sides agree on the "final

status" of the West Bank and

East Jerusalem, Israel is sup-

posed to grant a large dollop of

autonomy to the Palestinians

without making permanent ter-

For that reason, Israel is enti-

its settlements in place while

But in negotiations on the

ritorial commitments.

the talks proceed.

In the interim period, before

for this catastrophe."

fear, turmoil and whispered

talk of conspiracies.

en the situation. Mr. Christopher said he pro-

cy outlined by Mr. Dole, saying it was certain to drag the United States into a ground war because Washington could not walk away from the inevitable failure of an air campaign.

"No military expert that I know of feels that a bombing campaign would be successful, Mr. Christopher said.

Defense Secretary William J. Perry took a similar approach, saying in a separate broadcast interview that ground combat between Muslim and Serbian forces was stalemated.

"That suggests to us that a peace plan is best for all parties concerned," he said.

Only a week ago, Mr. Perry said Muslim forces could not hope to regain territory already

"This is a turning point," said Jacques Neriah, an Israeli strat-

egisi who served until recently

"national assessment sources,

nearby population centers.

zarim in the autonomous Gaza

Strip, where four Israeli soldiers

died last month at one exposed

road junction, has driven home

Ori Orr, a former general

who chairs the Parliament's De-

fense and Foreign Affairs Com-

mittee, said that if Israel with-

drew its forces and more settlers

were killed, the whole peace

agreement with the Palestinians

One possible response for Is-

But as Environment Minister

settlers. Mr. Rabin clearly aims

Yossi Sarid acknowledged, any

such move is tantamount to de-

ciding on Israel's future borders

— a decision Mr. Rabin does

not now feel strong enough to

defend. "This is the most im-

portant part of the peace pro-cess," Mr. Sarid said, "as it will

inevitably decide the next

phase. It won't be reversed."

to do so in the long run.

could collapse.

this analysis to Mr. Rabin.

every opportunity."

foundly disagreed with the polihe amended that view, saying it only applied to the UN "safe area" of Bihac, which has been under Serbian assault.

Further NATO air strikes, which have been intermittent, are not ruled out, Mr. Perry

Mr. Gingrich joined Mr. Dole in a broad attack on the United Nations and what they see as a tendency by Mr. Clinton to seek multilateral solutions to problems that require stronger U.S. leadership.

Both Republican leaders called UN troops in Bosnia "hostages." Mr. Gingrich called it "unbelievably dangerous" to have NATO in a "pathetic and helpless" military situation in

ARAFAT: In Gaza, PLO Chief Becomes New Enemy

as the senior Arab affairs adviser to Prime Minister Yitzhak Rabin and has long maintained a relationship with Mr. Arafat. Mr. Neriah added, "We are now entering a period of semisia is not welcome in either. instability during which the op-position will be testing him at

Palestinians dismiss talk of a civil war among themselves as nonsense. They say the struggle is now focused on whether Mr.

3,000-strong multinational peacekeeping force to the en-**PEACE:** Israel Hesitates on Pullout

> Organization recently ordered ministers to define conditions for admitting former Warsaw Pact foes. Angered by the move. Russia backed out of a program for closer political and military

Western nations are willing to give the security conference more muscle to prevent regional conflicts and monitor human rights. But they refuse to let it

Created in 1975 by the Helsinki Act, the Conference on Security and Cooperation in Europe was the only institution in which NATO and the Warsaw Pact came together to discuss security and human rights

Those tasks have changed

1,800 warheads after the 1991 Soviet collapse. President Leonid Kuchma the presence of Mr. Clinton. Mr. Yeltsin and other leaders. In exchange, Mr. Kuchma ex-

Mr. Clinton was scheduled to spend less than seven hours in Budapest and return to Washington on Monday evening. The no danger of that. "November trans-Atlantic round trip is is the hardest month," she sandwiched between two White warned Aquarians. "It will House events—a Sunday afterbring the loss of friends and noon ceremony honoring paprotectors, hostility and deceit, trons of the arts and a congres-

felt it important to make a "symbolic demonstration of the U.S. commitment to the CSCE events and to change it for the and to a broader engagement in better will lead to no good re- dealing with European security sults," he wrote on one recent problems," particularly because of "the continuing agony we face in trying to grapple with

#### Talks in Budapest Continued from Page 1

ropean security affairs through the conference, its only major link to other European nations. Both NATO and the European Union are expanding, but Rus-

Russia is against the expansion of NATO to the east, Mr. celtsin said before leaving Moscow. If that happens, he said, "NATO's frontiers will reach the border of the Russian Federation."

alarmed senior Israeli officials, Arafat can reverse the trend of In another example of things to come, Russian demands for a as well as Arabs and Westerners abandonment he is experiencfree hand in peacekeeping in ing from large segments of Pal-Nagorno-Karabakh blocked agreement on Sunday to send a

clave, diplomats said.
The North Atlantic Treaty

provisions are incompatible. lsraeli newspapers are quoting a euphemism for military intelligence, as saying that it is impossible to protect many settlements while withdrawing from cooperation with the allies.
The United States and other The example of tiny Net-

overshadow the Atlantic alli-

with the end of the Cold War-The leaders were also to herald the signing of the Nuclear Nonproliferation Treaty by Ukraine, which inherited 176 nuclear missiles and around

pects to get Western aid to pay for dismantling the weapons.

and problems with your par- sional ball Monday night.

Mr. Clinton has a Latin American summit meeting in Miami next weekend, and his work otherwise is dominated by efforts to deal with the forthcoming Republican control of Congress.

One official said Mr. Clinton the Bosnian crisis.

#### **BOOKS**

SAINT-EXUPERY: A Biography

By Stacy Schiff. 525 pages. \$30.

Reviewed by Kenneth Murphy

WANTING to know an au-thor because you like his books, Eric Linklater once said, "is like wanting to know a goose because you like pâté." The pâté was spread pretty thickly in the life of Comte Antoine Jean-Baptiste Marie Roger de Saint-Exupery — aristocrat, pioneer, aviator and author — leaving scant time for the business of writing the books, such as "The Little Prince," that have immortalized his name. Characteristically. when he and his airplane disappeared on a flight in 1944, Saint-Exapery was juggling a number of literary projects along with his

By Alan Truscott

On the diagramed deal,

Whist Club in 1987, Milton Pe-

trie, the founder and chairman

of Petrie Stores, outwitted his

opponents with a brilliant

As South, he was not happy

to find himself in three no-

trump, which was nearly hope-

After a diamond lead against

his three no-trump, Petrie could

have hoped for a miracle in the

shape of a doubleton king-ten

combination in clubs on his

right. Instead, he ducked the

diamond lead in dummy and

there were two points he ought

to have considered: the opening

lead suggested that West held

four diamonds and so was un-

likely to have more than four

clubs; and South would have

won the first trick in dummy if

he was seriously worried about

the club king and Petrie laid his

Nevertheless, East shifted to 3 N.T.

a club shift.

ter winning with the queen.

waited for East's next move af- + Q 10 9 2

It seemed to East that he 0 J 1952

should attack clubs, although +87

played at the Regency

role as a reconnaissance pilot for the Free French air force.

Schiff's is a biography in the round. Never in this long book is there a point when the reader wants to put it down. This is a weighty work in several senses: From beginning to end, the story is defthy constructed; narrative, analysis, description and speculation flow into one another painlessly.

Ambivalence was at the heart of Saint-Exupery's literary achievement, and Schiff treats in detail the sources of his singular restlessness. Born into the impoverished fringes of the aristocracy of provincial France, the young Saint-Exupery did not relish the official education and narrow career choices deemed appropriate to one of his position. Quite literally, he took to flight, becoming one of that small band of freebooting celebrity aviators who captivated the public on both sides of the At-

trap: he played low without any

revealing pause. East thought he had struck gold, for his part-

ner's seven seemed to be a sig-

nal. But when he led another

club he was discomfited to find

Petrie taking all the remaining

A shift back to diamonds by

East at the third trick would

have left South with a useless

club suit, and resulted in a

VAKO 9

OAK4

NORTH (D)

EAST

♣ K 10 6

SOUTH

♣ A Q 9 5 4 3 2

North and South were vulnerable

I N.T.

Pass

Andrew Commission and Angelia Commission and

0983

Pass

West led the diamond two.

The bidding:

North

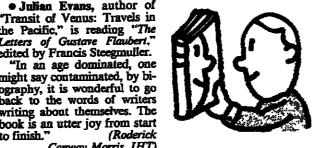
three-trick defeat.

BRIDGE

tricks.

the Pacific," is reading "The Letters of Gustave Flaubert," edited by Francis Steegmuller. "In an age dominated, one might say contaminated, by bi-

ography, it is wonderful to go back to the words of writers writing about themselves. The book is an utter joy from start (Roderick to finish." Conway Morris, IHT)



lantic in the 1920s. Saint-Exupéry lived a nomadic, precarious, often despairing existence as he began his writing career, thrusting himself, his brooding silences, magic tricks, bad debts and perpetual cigarette smoke upon a small clique of loyal and long-suffering friends.

Schiff is worried, as only a late 20th-century biographer can be, about Saint-Exupery's sexuality. She is worried that Saint-Exupéry's failed romance with that dreamy collector of men, Louise de Vilmorin, was so all-consuming that, for years after, Saint-Exupery's life seemed emotionally dislocated. Although she provides full details about the oddities of their relations, whatever magic Louise held escapes Schiff.

Following on his failure with Louise, Saint-Exupery resigned, at her most informative and per- Prince" might have known. suasive in her accounts of Saint-Exupery's adventures as an aviator. His isolation, so against the grain of his time — for the 1930s were a decade when writers like André Malraux became engagé and even men like André Gide and Samuel Beckett were forced to take sides - was crucial to Saint-Exupery's vision. Not even the Spanish Civil War, that catalyst of agitprop and political novels, could coax him into commitments. "Franco's soldier is noble; his opponent as well," he wrote on leaving Spain soon atter the bombing of Guernica. "I "Retreat from the Finland Stait's very difficult to say: 'Don't condemn any school of thought which — for coherency's sake — Breakdown of Communism," Write that everything will turn is forced to reduce the enemy wrote this for The Washington out O.K." army to a pack of pillaging, im- Past.

Such privacy hardly fitted

Saint-Exupery to the intellectual

civil war that followed France's collapse in June 1940, although it does go some way toward explaining the isolation in which he found himself in New York after fleeing the Nazi occupa-

In its way, however, Saint- Russian edition of Cosmopoli-Exupery's political naïveté was tan. a backhanded tribute to the pu- In the current issue of that rity of his vision. Floundering magazine, for example, Tamara in the complicated politics of Globa listed the "fortunate" his age, Saint-Exupery "wrote a days in November and Decem-satire of the adult world." That ber, a total of 12, and the "nega-"The Little Prince" emerged so tive" days, 28 in all. shortly before Saint-Exupéry's death assured that his legend that, because we want Cosmoescaped from its creator's pages politan to be a very optimistic and even from his control. That magazine," Ms. Myasnikova way an enduring myth is born. Said. "But when you're dealing

becilic peons." More telling, perhaps, was his confining this testament to his private diary.

accord, Palestinians convinced Israel that they could not hold tion. In her desire to defend her free elections while Israeli solhero, and her dislike of Gaullist diers continued to patrol their chauvinism, Schiff seems to streets. Israel, therefore, agreed overlook the central issue. Nei- to pull back its soldiers from ther the over-sensitivity of de towns and villages. Gaulle's supporters, nor the Mr. Rabin has concluded, acclumsiness of allowing his war cording to senior members of memoir "Flight to Arras" to be his government, that those two published in occupied France, nor the content of writings that superficially cast him as pro-Vichy is what really mattered. What mattered, quite simply, was the staggering unwisdom of failing to see that political decias it were, from his place in the sions could not be avoided, French class structure. Schiff is something that even "The Little

because they read their horo-"It can be pretty pessimis-," acknowledged Yelena Myasnikova, chief editor of the

with a famous person, a real Kenneth Murphy, author of authority in the field, of course

STARS: Astrology Booms in Russia Ms. Globa appears to be in

tled under the accord to keep all rael is to begin uprooting some

scopes too faithfully?

Continued from Page 1

Be careful about your Valery Ledovskikh, the pen name of the astrologer who writes weekly in Kommersant, Russia's leading business newspaper, would have his readers "We're not very happy about

simply wait for another day. 'All attempts to interfere with the natural course of gloomy day.

"The only thing you can do," he added, "is tighten up security on your delivery trucks."

What Mission? Continued from Page 1 said most people in Mogadishu questioned whether the foreign soldiers had done anything for the Somalis. He pointed out that people in such places as Baidoa and Baardheere, where famine was most acute, remem-

and went without changing things fundamentally. What many here expect is that once the last troops leave the UN compound, crowds will will sign the accord Monday in storm the fences to loot whatever equipment and supplies are left. "They will try to get hold of this building," said Major Zu-bair Chattha of Pakistan, the UN military spokesman. "Hopefully, we will not be

bered the aid brought in, but

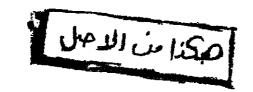
their overall impression was

that the foreign troops came

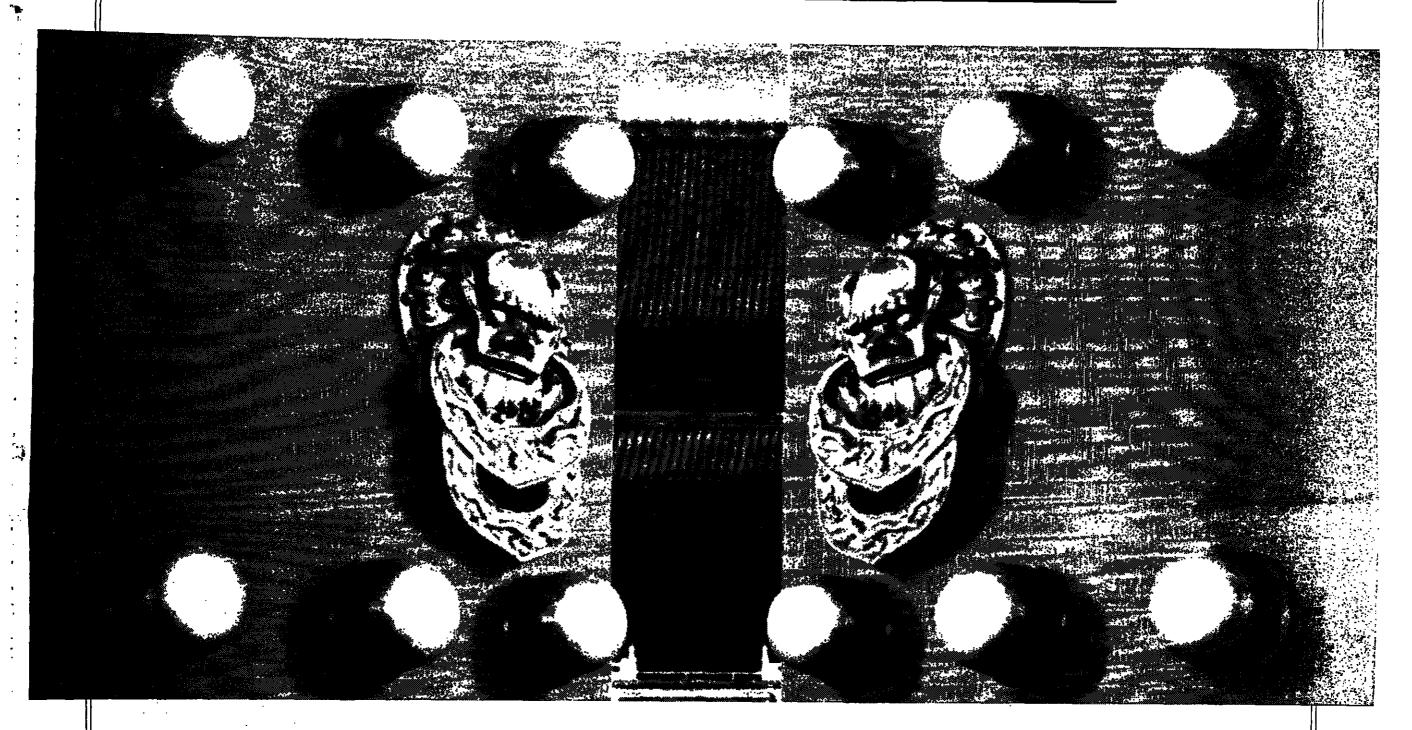
"The port and the airport will be a big problem," a top UN official said. "There's going to be a big battle for them."

A few blocks from the compound, at the headquarters of General Mohammed Farah Aidid's Somali National Alliance militia, there is a swirl of activity. Crowds gather, hoping for positions in the new "government" General Aidid is expected to declare. Asked about the departing peacekeepers, his supporters say only one thing: Good riddance.

"Our country is free," said Abdulkarim Ahmed Ali, the secretary-general of the faction. "We feel some sort of independence now. Their policy was the 'new world order,' and it failed. We were the testing ground, and they failed. They tried evcrything, and everything is fail-



# OPENING THE DOOR TO THE MOST IMPORTANT PEOPLE IN CHINA.



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MALL See Hoose "Frankly," Warren Christopher con-fessed to NATO, "the international community was insufficiently prepared" for Bosnia. Or hadn't you no-

ticed? The secretary of state was at his dreamiest in Brussels. He actually found some NATO achievements to hail. The alliance has done "whatever" the United Nations asked — but this ignores the minimal nature of the UN requests. It has "established a no-fly zone" — but only intermittently enforced it. It has "prevented the conflict from becoming an air war"
— this in good measure by limiting its
own air missions. It has been "instrumental in preventing the spread of the conflict" — but also instrumental in

letting down Bosnia. What is the purpose of avoiding straight talk about NATO's Balkan performance? An alliance challenged to fulfill a new mission of strengthening Eu-ropean security outside its members'

borders failed dismally. Nor are its Bosnian trials at an end. NATO forces, provided by Europeans, are there in a weight dominating the UN peacekeeping presence. That creates the bizarre situation where NATO units, sent in supposedly to help Bosnians, are subjected to Serbian threat, attack and detention and end up adopting as their first mission relief and rescue for themselves. This mission notably detracts from the capacity to relieve Bosnians.

The international "contact group," including the United States, is now making a fresh attempt to draw Bosnian Serbs into the international peace plan. But the first item in the group's appeal necessarily will be the safety of the peacekeepers. Here lies the case for removing the peacekeepers and giving the Bosnians the chance that they insist they want to fight their own battle.

In Brussels, meanwhile, NATO came up against another shock for which it was "insufficiently prepared." No soon-er had Secretary Christopher welcomed Russia's agreement to join the NATO Partnership for Peace security-cooperation program than the Russian foreign minister refused to sign.

Instead he complained about NA-TO's stated intent to take in new members from Central Europe.

Already NATO's progress toward enlargement is slow verging on glacial. The government in Moscow has its jitters about a new "line" being drawn in Europe. That puts a burden on NATO to explain and demonstrate to Russia how the careful, deliberate and transparent enlargement of the alliance serves the general confidence and stability. To slow further would be to grant Russia a veto over an alliance of which it is not a member. To back down on enlargement, after backing down on Bosnia, must be regarded as unthinkable.

- THE WASHINGTON POST.

# What East Europe Needs

After the disarray over Bosnia, the national security crowd in Washington seems to be seized with the question of how to save NATO. They should instead he asking bow to ease the insecurity in Eastern Europe and Russia. To do so, they need to be clear about the wellsprings of that insecurity.

The newly freed nations need political and economic reassurance, not military alliance, and a helping hand to bring them into the community of democratic nations. The worry is that the United States is not up to the job, especially now that the Republicans have taken control of Congress.

Some in the Republican Party. like Senator Jesse Helms, seem to regard any help to transform Eastern Europe and Russia as a waste of time and money. The hope is that leaders of broader vision like Senators Robert Dole and Richard Lugar will sense the opportunity and sustain the effort.

Offering NATO membership and security guarantees to Poles. Czechs and Hungarians is tangential to meeting their felt needs. It is also sure to alienate those who are excluded, especially Russia, where a nationalist reaction could topple Boris Yeltsin and the reformers. thereby increasing Eastern Europe's insecurity, Foreign Minister Andrei Kozyrev underscored that point last Thursday by holding up the start of his country's cooperation under NATO's Partnership for Peace.

Lest intact, NATO can provide military insurance in case things go wrong in Russia, it can also help promote change by reaching out to ex-Warsaw Pact ar-mies, including Russia's, promoting democratic control of the military and facilitating military conversion to peaceful pursuits. Yet NATO alone cannot meet Eastern Europe's needs. Other institutions can - if they are strengthened. Universities, foundations and other nongovernmental organizations need to sustain support for democracy and the free institutions that nurture it. Privatepublic partnerships can encourage everything from the stocking of libraries and the housing of military retirees to funding scientific research by former bomb-builders.

The European Union has yet to lay out a strategy for bringing the East into a European-wide market. It can move a lot more quickly than it has to lower agricultural and other trade barriers. It also can construct road and rail corridors to link the East and West, and invest in projects to reverse environmental degradation. Washington also needs to be involved.

The Helsinki accords give the 53nation Conference on Security and Cooperation in Europe a leading role in preventing ethnic conflict and protecting human rights. The CSCE can also provide political legitimacy and oversight for peacekeeping in the region. Yet Washington has looked upon the CSCE as a rival to NATO and tried to

constrain it. The thickening web of ties to the West can help reassure anxious East Europeans, including Russia, that they will not be left out if they want in. At the same time, the West would be right to insist that the political and economic standards it sets for cooperation are met by countries seeking assistance and closer ties.

The new Republican majority has a chance to help transform the East. But it will not succeed if it focuses on expanding NATO and does not try to meet the East's political and economic needs -and ease its ethnic frictions.

- THE NEW YORK TIMES.

# When Laurels Don't Help

It takes a special kind of disdain for world opinion for a government to persecute a Nobel prize-winning writer or a world-famous poet and force him to flee his home. Unfortunately, it is by no means uncommon. It happened recently to the Nigerian poet and playwright Wole Soyinka, who won the literature prize in 1986. And something like it has happened to the exiled Chinese poet Bei Dao. not a Nobel laureate but well-known and beloved both in and outside his native land, who tried to visit his parents and was held, interrogated and finally sent back from the Beijing airport to the United States by Chinese authorities who accused him of political activities.

Bei Dao is back in Michigan, where he came after some of the Tiananmen Square protesters took his work as a moral anthem. Mr. Soyinka is in Paris, having fled there after authorities confiscated his passport in early November and refused to let him travel to a planned conference in Strasbourg. Taking the hint that, as he put it, the government might be preparing to give him "the Burmese treatment" — a reference to another Nobel laureate, peace prize winner Daw Aung San Suu Kyi, who has spent the five years since the prize under house arrest — Mr. Soyinka escaped

over the border by expedients that he would not describe on arrival in Europe but which, he told reporters there,

wounded my sexagenarian dignity." You could say that both these men got off relatively lightly, and exile does compare favorably with some other alternatives -- imprisonment, torture, assassina-tion -- faced by famous and nonfamous people of conscience who express principled dissent to governments that brook none. Mr. Soyinka has been prominent in pro-democracy activities and most re-cently filed a lawsuit challenging the legitimacy of the current Nigerian military government of General Sani Abacha. installed in 1993 after previous leaders canceled the results of a free election. (It was after the lawsuit failed, in late October of this year, that his passport was seized.)

But it is the government's intolerance, not the writer's suffering, that is most significant in such cases. The visibility conferred by a Nobel prize is supposed to afford some measure of protection to the laureate. When that protection fails to work, when governments are so dismissive of world opinion that they persecute or fail to protect even individuals so hon-

ored, it is a sign of real trouble. - THE WASHINGTON POST.



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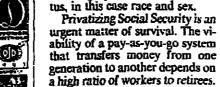
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# International Tribune Just Muddling Along Without Any Policy

By William Pfaff

PARIS - The officials of cal structures that NATO pos-Western governments now take refuge in thickets of blather, having abandoned Bosnia. They promise reform of their institutions of cooperation so that never again will there be a tragedy like the former Yugoslavia's."

U.S. Secretary of State Warren Christopher promised last Tuesday "a strengthened CSCE" to deal "more effectively and more

Are the powers prepared to defend the principle that only peaceful and negotiated territorial change in Europe is acceptable?

soundly" with future-cases of in-ternational aggression. NATO is "fundamentally sound," according to Dee Dee Myers at the White House. There is "a Bosnian crisis, not a NATO crisis."

France's foreign minister calls "a new international conference" on the former Yugoslavia. Germany's foreign minister says that "aggression should not pay." International villainy must surely recoil at such words.

Mr. Christopher says Partnership for Peace has made "extra-ordinary progress." NATO has "talked itself through the conditions, the circumstances, the implications, the responsibilities of membership" and "over time ... must be willing to include nations that are willing to assume the nec-

essary obligations and commit-ments." It will be enlarged. Or perhaps not. The North At-lantic Council meeting in Brussels on Thursday named a commission to report back on the matter in a year.
This is criminal irresponsibil-

ity. It marks both Americans and Europeans.

The latest French-German summit agreed to do nothing but recommend peace and negotia-tions to Yugoslavia. Chancellor Helmut Kohl's own party has asked that the Bosnia arms embargo be lifted. This was ignored, Mr. Kohl deferring to President François Mitterrand's implicitly pro-Serbian neutralism.

Leaders will now discuss how to give Europe's military organization, the Western European Union, the command and logistisesses and the WEU lacks, so that Europe - next time - will not have to depend on American

of French and British soldiers." Fine, as an expression of bitterness over what has gone on in Bosnia. But will the Europeans

rience suggests that they will not.
The notion that reform of the mechanisms of cooperation can solve the problem is delusion, as every intelligent member of the American and European political classes must know. The collapse of the United Nations, NATO and the European Union in Bosnia had nothing fundamentally to do with the political and military machinery at the disposal of the Western countries. It had everything to do with the lack of a common policy. They did not know what to do with the ma-

agreement and cooperation.

An anonymous French diplomat says, "The United States wants more than ever to control the show, on the back of the lives of French and British soldiers."

take future responsibility? Expe-

chinery they possessed.

It follows that the future will not be improved by bureaucratic fid-dling with the mechanisms of cooperation. It will be affected only by alliance decisions — Atlantic or West European — or the acts of individual governments prepared UN safe haven un safe haven unsafe haven Nisam

to defend civilized values even if

others dither or retreat. It is essential that the policy problem be addressed, not the mechanical one. There are a number of serious conflicts in waiting. The problems of national minorities will worsen in that Greater Serbia which the Western powers now seem anxious to ratify. Albanian and Hungarian minorities have no secure place in the Greater Serbia now in prospect.

The new Hungarian government has dropped the irredentist rhetoric that characterized its predecessors, but the tensions provoked by Hungary's national diaspora remain grave. Romania's government has done little to halt the aggressive anti-Hun-garian acts of local authorities in

Hungarian-populated Transylvania. Greek-Turkish hostility over Greece's maritime claims in the Aegean Sea has been contained up to now only by strenuous American diplomacy. Greek-Macedonian and Greek-Albanian tension remains serious.

The Western powers have acquiesced in Russia's reassertion authority in Chechnya, which unilaterally claimed independence in 1991. What is Western policy with respect to the other new states issued from the old U.S.S.R.? What distinctions are made?

These issues have to be addressed. Institutional reform means nothing if the Western governments do not know what to do about actual problems. Here is where a joint policy effort must be made during the months to come. Threats and options must be put before policymakers now, while there is time for confidential reflection and common decisions.

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What would NATO actually do about a Ukrainian crisis? What is the policy of the European Union on Balkan irredentist claims? Are the powers prepared to defend the principle that only peaceful and negotiated territorial change in Europe is acceptable? Will they defend human rights? How? Only with talk?

Now is the time to decide. They have a second chance to do so, after Yugoslavia. It may be the last chance.

International Herald Tribune. D Los Angeles Times Syndicate.

# In Ex-Yugoslavia, the World Was Caught Unprepared

WASHINGTON — The Brit-ish writer Saki was speaking of the Balkans, and in particular of the part that used to be greater Yugoslavia, when he memorably wrote: "They produce more history than they can consume locally.

It is another of the occasional overflows of Balkan history -

It was clearly a mistake to take on such a role before thinking it through.

featuring the usual Cain-Abel violence - that has brought the otherwise insignificant little city of Bihac, in Bosnia, to the civilized world's distressed attention. Bihac is supposed to be a United Nations "safe haven" for victims of Serbian aggression. It looks more like a trap, for the victims and for the UN peace-

By Edwin M. Yoder Jr. keeping force as well. And what

is the reaction in Washington? A blame game.

There was a revealing episode on the MacNeil/Lehrer News-Hour on Nov. 28. Anthony Lewis, the New York Times columnist, complained that the United States and its NATO allies had failed to act to punish or deter Serbian aggression. Larry Eagleburger, the former secretary of state, exclaimed: "In other words, it's all my fault." He had been George Bush's secretary of state; Mr. Lewis said the initial mistakes were made during the Bush years.

Anyone who knows anything about Bosnia or Mr. Eagleburger knows that his mea culpa was absurd -- a satire of the view that the world, with its complexities, is Washington's to fix; that when it declines to be fixed, we Americans must beat our breasts, even

if 99 percent of us never heard of the place we were supposed to fix.
To Woodrow Wilson's misadventures in World War I and the

so-called "loss" of China to communism in 1949 we must now add Bosnia? So it seems. Mr. Eagleburger is among the few in Washington who actually know something about Yugoslavia and the obscure tangles of Serbian, Croatian and Bosnian nationalism. He served twice in Belgrade, the second time as U.S. ambassador. He knows the lan-

guage, culture and politics. It was a considerable irony and it may have been America's unacknowledged good fortune as well - that one so well instructed in the realities of Balkan politics was in charge at the State Department when the old Yugoslavia began falling apart.

One consequence of Mr. Eagleburger's expertise, and of his

equality of result at all costs has

no prospect of success in the

emerging world capitalist order.

the demolition of traditional aca-

demic standards even for the train-

ing of scientists, one must wonder

whether the 21st century will find

the United States engaged in the

dismantling of modernity while

its competitors become modern

states. The cost of such a disas-

trous course cannot be offset by

can civilization," as Mr. Gingrich

sees it, is a poor thing: a narrow

terrain bound by rigid orthodox-

ies. For one who holds so power-

ful an office, he is worrisomely

blind to those democratic vistas

that Walt Whitman, a voice of the

counterculture if ever there was one, celebrated when he heard

"America singing, the varied car-

The writer is author of the forth-coming "The Memoirs of Elizabeth

Frankenstein," a novel. "The

Making of a Counter Culture" will be published in a new edition next

year. He contributed this comment

to The New York Times.

ols I hear."

any economic policy.

When multiculturalists demand

wariness of American public impatience with military engagement in faraway places, was an

anguished prudence.

When the tragedy in Sarajevo was unfolding, Mr. Eagleburger told me that had he been able to envision a plan for effective U.S. military intervention (one that the American people would sup-port), be would have favored it. He could see none. Neither could

I, then or now.
As the extent of the UN-NATO failure emerges, Monday morning quarterbacks lacking Mr. Eagleburger's grasp of the reali-ties are offering glib after-the-fact judgments — notably Senator Bob Dole, who seems to have appointed himself instant secre-

tary of state for Balkan affairs. Hindsight is perfect. It is obvious that the United Nations and NATO have failed to find an effective role in Yugoslavia. Neither has a formula for containing the surging tribal energies and hatreds released all over Central and Eastern Europe by the col-

Moreover, the United Nations is now paying a bitter price for its mindless patronage of nationalism from 1945 on, as great colonial empires dissolved and every successor statelet with a telephone system and an airline proclaimed itself a nation and occu-

pied a General Assembly seat.
Yugoslavia, a comparatively
sophisticated society, is a representative victim of those centrifugal nationalist passions. It worked far better as a federation than it is likely to work as a grouping of hostile states.

But nationalism remains a toxic legacy of the romantic age. What the world needs is a compelling counter-ideology, an antinationalism. It would do more than guns or tanks to stop such unsightly events as we have witnessed in Bosnia.

NATO, for its part, is a grand alliance conceived for the monumental task of preventing the communication of Europe. It was a famous success, but ultimately nothing fails like success.

When the Soviet Union collapsed, it yielded the stage to a bewildering array of fratricidal nationalists eager to renew old enmities and relight old territorial wars. So far, NATO has neither the will nor the machinery to police this new tribalism.

That policing may eventually become its role and perhaps it should. But it was clearly a mistake to take on such a role before thinking it through.

That is the meaning of Bihac. and it has little to do with the decisions of Larry Eagleburger

or anyone else. Washington Pest Writers Group.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

#### 1894: Stiff Peace Terms

YOKOHAMA - In view of the action taken by China for the purpose of bringing about a ces-sation of hostilities, the question of terms of peace is being generally discussed here. From the statements of the Japanese press. it appears that Japan is prepared to insist on very heavy conditions. As the extent of Chinese territory occupied by the Japanese armies increases, the demands of the Mikado's Government will grow proportionately.

#### 1919: Boxing Sensation

LONDON - One of the greatest sensations ever produced in the boxing ring was created to-night [Dec. 4], when Georges Carpentier, of France, knocked cut loe Beckett, of England, in just over one minute. The contest took place at Holborn Stadium, Lon-

don, before a large and distinguished throng, including the Prince of Wales. Besides retaining his title of heavyweight champion of Europe, Carpentier won the right to challenge Jack Dempsey of America, for the world title Incidentally, he won £5,500.

#### 1944: Luck Over Tokyo HEADQUARTERS

BOMBER COMMAND, Saipan - From our New York edition: In one of the most dramatic and unusual events in aerial combat history, an American Superfortress which had just bombed the Nakajima aircraft factory at Tokyo was rammed by a Japanese fighter plane over the target yes terday [Dec. 3] and lost part of one engine and nacelle, but made it home safely. The enemy plane then careened into another Japanese fighter, and both plunged to the ground in flames.

#### already reneging on its promises by taxing Social Security benefits. certainties will make the adjustment to the new world order.

Capitalism Is Rampant, So the Flabby Better Shape Up

By Paul Craig Roberts

WASHINGTON — Liberals and conservatives alike regard the Republicans' "Contract With America" as a bold venture. In truth, it is a timid measure that even if carried out will leave the United States a handicapped player in the global capitalism of the 21st century.

Make no mistake, a capitalist

revolution is sweeping the world. Communist central planning is no longer throttling the produc-tion and productivity of 1.2 bil-lion Chinese people. Develop-ment planning is no longer stifling Latin America.

Latin America has a potential market twice that of the United States, and China's is four times as large. We know that these new players on the world scene are serious when the Chinese Communist Party uses its power to create stock markets and protect entrepreneurs, and when former socialist states such as Chile and Argentina privatize social securi-ty and national health care. In 25 years, according to World

Bank projections. China will have the largest economy, with the United States a distant second. In a global economy, capital will flow to areas where returns are highest and away from those where it is savaged by taxes, regu-

lations and tort liabilities.
So the United States has no choice but to stop building wel-fare and entitlement dependencies that it can no longer afford. and to return to the small-government era that permitted wave after wave of penniless immigrants to be absorbed into the economic

life of a thriving nation. The Republican contract takes steps in the right direction, but they are a baby's faltering steps, not the strides of confident leaders. Even Republicans are too imbued with guilt over inequality to permit America to really compete on the world stage.

If the United States, a welfare state grown soft and fat is to survive in a competitive post-socialist world, it must privatize Social Security and health care, abolish welfare and cease to tax human and physical capital.

Above all, we Americans must return to equality before the law and terminate the emerging legal system - a throwback to feudal times - in which people have differing rights based on their status, in this case race and sex. Privatizing Social Security is an urgent matter of survival. The vi-

This is no longer the case in the

Privatization will be financially challenging. Large amounts of general revenue would have to be used to support those in retirement while younger workers are moved into Individual Retirement Accounts and similar plans. These revenues can be made available only by curtailing functions of government that are inconsis-tent with a self-reliant people.

As Western Europe has discov-ered, a welfare-dependent population is a disadvantage in global on the recognition and reward of competition. Only disciplined merit, but American law now depeople with high saving rates to mands advancement by race and

United States, and the system is cushion themselves against un-The economic cost of a govern-

ment-supplied safety net is exorbitant, and its perverse incentives are socially debilitating. A new safety net will have to be built, using a combination of lower taxes, expanded Individual Retirement Accounts, medical savings accounts and charitable activities.

Nor can the United States afford the antipathy to meritocracy that suffuses its economic and social policies. Capitalism depends on the recognition and reward of

#### The writer, U.S. assistant secretary of the Treasury in 1981 and 1982, is a fellow of the Cato Institute. He contributed this comment to The New York Times.

#### BERKELEY, California — When Newt Gingrich started using the term "countercultural" as an all-purpose pejora-tive before last month's election, I began to worry about the accuracy of America's national his-torical record — especially when he attached the word to sweep-

ing judgments about "American civilization." As I coined the term in my 1969 book "The Making of a Counter Culture," it referred to a minority within the protest movement of the period that had raised challenging questions about the sustainability of urban-industrial society. I sought to give coherence to the movement, traced its antecedents back to the Roman-

tic movement of the late 18th century and gave the thing a name. Almost at once the media began bending that name out of shape, limiting it to a sensational surface -- drugs, sex, weird hair styles, raucous music, misconduct in public places. As it appears in textbooks and dictionaries today, the word "counterculture" is often defined as little more than an

adolescent outburst. The word meant nothing so simple or easily categorized. True exponents of the counterculture, as I saw it, believed that capitalism and its Marxist opposition were equally committed to expanding urban industrialism, taking the culture of the industrial city to be the unquestionable wave of the future. The only dispute between them was who should own and run the system. During the Cold War era, capitalists and Marxists alike were wedded to a dogmatic acceptance of technology and science and were intolerant of other worldviews.

#### By Theodore Roszak

Upset With Urban-Industrial Failings

From the countercultural perspective, "alienation" - limited by Marxists to the relationship of workers to property and labor — went further than leftist ideologues imagined, because they themselves were as alienated from the primitive, the body, the ecstatic and the feminine as any profitdriven entrepreneur had ever been.

Even drugs, the most erratic and hazardous aspect of the countercultural protest, were more than mere fun and games; they represented a search for some altered state of consciousness that might "cleanse the doors of perception," in William Blake's phrase, and usher us into the postindustrial future.

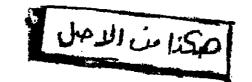
Of course, had he troubled to ask what the word really meant, Mr. Gingrich would still have no greater liking for the counterculture. It has, after all, given rise to causes omitted from his contract with "normal Americans": environmentalism, feminism, the rights of gays, American Indians and ethnic minorities.

But he is more beholden to the '60s than he may know. It was guerrilla computer hackers, whose origins can be discerned in the old "Whole Earth Catalogue," who invented the personal computer as a means, so they hoped, of fostering dissent and questioning authority.

This is the same technology on which Mr. Gingrich, the "conservative futurist," is banking to rebuild the economy. Whatever else one might reject in countercultural protest, it was at

least a brave call for openness and diversity. In comparison, "Ameri-

RUBY SUPE



# Taiwan Opposition Wins Important Job

# Nationalists Still Dominate, But Democracy Is Evolving

By Kevin Murphy TAIPEI - Only eight years ago Chen Shui-bian was sitting in jail, convicted of association with a sociation with a sociation ago Chen Shui-bian was sitting in the process of Taiwan's democratization," Wu Jau-shieh,

roaring supporters early Sun-day, the Democratic Progres-sive Party's winning candidate for Taipei mayor pledged cooperation with the government that once imprisoned him and dozens of party founders.

Over the din of horns and a barrage of fireworks, Mr. Chen also promised, in the once-sup-pressed native Taiwanese dia-lect, to mend the ethnic divisions pricked by fierce rhetoric in the island nation's most emotional and important elections.

Rowdy and rapid, political change has nonetheless come relatively smoothly to Taiwan since martial law and one-party rule were lifted in 1987.

The Nationalists, who have firmly controlled Taiwan since fleeing here from mainland China in 1949, held on to the powerful Taiwan provincial governor's post and the mayor's seat in the southern city of Kaohsiung when Taiwan's 13.9 million eligible voters went to the polls on Saturday. The Na- formal declaration of Taiwan's Taiwan's first direct presidentionalist Party, or Knomintang still dominates the national

government as well. But Mr. Chen's victory in Taipei and a strong showing by another opposition party formed less than two years ago typify the dramatic but general-

tion under way in Taiwan, analysts said.

This is a remarkable result with a magazine opposed to an academic at National Taiwan's Nationalist Party and its authoritarian rule.

Chengchi University's Institute of International Relations, said Standing in front of 30,000 of the elections, in which voter turnout exceeded 78 percent.

"It's the first time in 30 years that an opposition candidate has gained such an important executive position," Mr. Wu said. "And two opposition parties who are ideologically opposed will work together to con-trol the Taipei City Council." Ostensibly local in nature, is-

landwide electoral contests never strayed far from debate over Taiwan's national identity and future relations with Beijing, which regards the rich trading nation as a renegade province only temporarily beyond the

While the Democratic Progressive Party and the more re-cently formed New Party railed against entrenched Nationalist corruption and inept local administrations, voters inevitably focused on individual candidates' stances on relations with

Predominantly ethnically Progressive Party advocates China, if supported by plebi-

The New Party, which draws support from Mandarin Chinese-speaking families originally from the mainland, aspires to eventual reunification with Chi-



Election posters coming down Sunday in Taipei, where the Nationalists lost a key post.

the Nationalists, who have local issues," referring to deep moved to install native-born Taiwanese in positions of power alongside Lee Teng-hui, the president who strives to maintain a delicate status quo that defines Taiwan's identity in de-

liberately fuzzy terms.

Jaw Shau-kong, a popular

New Party leader who placed
second to Mr. Chen in the Taipei mayoral contest, accused Mr. Lee of having a secret plan Taiwanese, the Democratic to declare independence in 1996, a hint of the likely tone of de facto independence from tial elections, to be held early

that year. Democratic Progressive candidates, one diplomat said, "could reasonably downplay a pro-independence stance that still makes many Taiwanese nervous with the argument that ly peaceful democratic evolu- na. It also distrusts the goals of these are local elections about

fears that China would invade if Taiwan formally broke away.

"But in the upcoming presidential elections it will be a much different story," the diplomat said. "Each candidate will have to defend their policy on the future of the island. This will prove very emotional."

Attacks on such politicians as James Soong, the Nationalist governor of Taiwan Province, for their inability to speak the local dialect fluently and heated exchanges centered on candidates' backgrounds stoked passions in the lead-up to voting.

Scattered interparty thuggery and widespread allegations of vote-buying by the Nationalists prompted authorities to put 70,000 policemen on alert Sat-

But the specter of mayhem that led some commentators to fear that the country's experiment with democracy might meet a damaging setback never materialized, as all parties confidently claimed success at the

The Nationalists maintained an overall majority of support and control of the provincial governorship, a holdover from the days when Taipei claimed to rule all the provinces of China, and its substantial resources for patronage and control of the media through ownership of one of three Taiwan television stations.

"If we are going to move toget used to the fact that you can't win them all," said Jason Hu, head of the national government's information office.

Irwin Kostal, 83, a Holly-

wood orchestrator and conduc-

ry" and "The Sound of Music,"

died Nov. 23 of a heart attack in

#### Military Leaders Positioning for Post-Deng Era strictly enforced a retirement committee, and he and General

Beijing's 2 Enduring Officers

By Patrick E. Tyler

New York Times Service BELITNG — When Deng Xiaoping was purged from the Chinese leadership in 1976, a senior marshal of the People's Liberation Army helped smuggle him to southern China in a windowless home and Parents windowless horse cart. Protected by military allies, Mr. Deng bided his time until comrades prevailed over enemies and helped him eventually become paramount leader.

Now, as Mr. Deng's health continues to decline, two top military leaders, Admiral Liu Huaqing, 78, and General Zhang Zhen, 80, are positioning themselves to influence China's political succession and any power struggle that might arise from his death.

Put in place by Mr. Deng in 1992 as transitional figures to guide his designated heir, President Jiang Zemin, Admiral Liu and General Zhang have conducted what U.S. intelligence agencies describe as a "major purge" of the top ranks of China's armed forces.

The purge, ordered by Mr. Deng, coincided with the re-moval in 1992 of President Yang Shangkun and his halfbrother, General Yang Baibing. The Yangs were suspected of building up their own power base in the armed forces, but they could still play a role in the succession because of their con-

Working closely with Mr. Jiang, Admiral Liu and General Zhang have improved the professional standards of the People's Liberation Army officer corps, which is still recovering from the Maoist days when ward full democracy, one has to rank disappeared and everyone was a private preparing for a

"people's war. They have rebuilt China's military academies and more

age of 65 that seems to apply to everyone except themselves.

But now, with the purge concluded and Mr. Jiang's positions as leader of the Communist Party and supreme military commander unrivaled, Admiral Liu and General Zhang appear

"The old guys are still in control of the military," one China analyst said. "They just refuse to retire, and I believe they are going to remain in office to hold on to their own power." In recent months, there have

General Zhang would be forced to retire next September during the annual gathering of the Communist Party leadership. In a rare public comment on leadership changes, Mr. Zhang dismissed this speculation when approached by two Western re-

porters during a banquet at the Great Hall of the People. "There isn't going to be any change," he said with a grin.
Now, two months after the party's leadership meetings, several Western diplomats say

they believe that retirement plans for the two military leaders have been shelved. "I think they are anxious not to leave at a time when Deng seems about to go and there are

lots of questions about the transition," one said.
Whether they resisted retirement or had their terms extended with the concurrence of Mr. Jiang is an open question. The only thing certain is that their power and influence are intact.

Admiral Liu remains a mem-

Zhang are deputy chairmen of the Central Military Commission. China's national security council, which Mr. Jiang heads.

Both are also members of powerful networks, and personal and family relationships are the foundations of power in China. Admiral Liu, for mstance, was a protégé of Marshal Nie Rongzhen, who nurtured China's strategic nuclear programs through the Cultural Revolution. General Zhang's 60 years in the party and military include serving under Marshal been persistent reports that Chen Yi, who was foreign min-

ister under Zhou Enlai. Helping to cement Mr. Jiang's power, the admiral and the general have themselves groomed a new generation of top generals.

But the continued presence of Admiral Liu and General Zhang reflects not only the jit-ters about Mr. Deng's health, Chinese and Western experts say, but also a possible lack of confidence in Mr. Jiang's ability to hold together the competng forces within the party and Chinese society overall.

"Jiang Zemin is not a rock that you can build a regime on, said a longtime China special ist, who argues that the presi-dent will quickly find himself straddling irreconcilable differences between the party's moderates and hard-liners after the death of Mr. Deng, 90.

Should a power struggle erupt, as one did after the death of Mao in 1976, the admiral and the general would be among the ber of the Politburo's standing key power brokers.

# Elizabeth Glaser, Politically Active AIDS Victim, Dies at 47

LOS ANGELES - Elizabeth Giaser, 47, whose agonizing story of how she and her two children became infected with AIDS brought a tearful silence to the floor of the 1992 Democratic presidential convention, died from the disease Saturday in Santa Monica, Cal-

The wife of the actor Paul Glaser (of "Starsky and Hutch" fame) had in the five years since she first disclosed her illness betional battle against the disease.

She said she became infected with the AIDS virus in 1981 after receiving a blood transfusion when she was nine months pregnant with her first child,

In 1985, Ariel became seriously ill. The girl and her family were finally tested for AIDS and Mrs. Glaser tested positive. It was determined she had passed the virus to Ariel through her milk. She also had transmitted the virus to her second child, Jake. Her husband was the only family member

Karalis Tab.

WHILE

the fix

who remained uninfected. After her daughter's death, Mrs. Glaser went to Washington and lobbied congressional representatives, seeking help both to fight the AIDS battle and to raise the public's consciousness about who was at risk. She also co-founded the

Pediatric AIDS Foundation. In 1992, she was asked to speak at the Democratic con-

"Exactly four years ago," Mrs. Glaser said, "my daughter died. She did not survive the Reagan administration. I am here because my son and I may not survive another four years of leaders who say they care but do nothing.

Soulima Stravinsky, 84, Son of Russian Composer SARASOTA, Florida (NYT)

#### Bangladesh Boat Disaster

DHAKA, Bangiadesh least 29 people were killed Sunday when a boat carrying more than 100 passengers crashed into another vessel and capsized on the Bolai River in northeastern Bangladesh, state television reported.



Elizabeth Glaser as she addressed the Democratic National Convention in 1992.

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ORIENTAL CREDIT LIMITED (In Liquidation)

Paris, where he studied the piano with Isidor Philipp and music theory and composition with Nadia Boulanger. He made his Paris debut in 1934, and was at first a specialist in his father's piano music. Between 1934 and 1938, he toured with several

He joined the faculty of the University of Illinois School of had been investigating commu-Music in 1950 and taught piano nism in Hollywood for years. William Tapley Bennett Jr., 77, a career diplomat who there until 1978.

#### And Liberal in Hollywood

LOS ANGELES (NYT) -Lionel Stander, 86, whose gravelly voice and beetling brow made him a memorable presence on stage and screen and whose political beliefs in the era of the Hollywood blacklist earned him a long exile from American films, died of lung cancer Wednesday at his home in Los Angeles.

Mr. Stander, who began his show business career at the age of 17, was working as recently vinsky, died of respiratory fail- Max, the lovable father figure, ure here Nov. 28 after a long confident and chauffeur, in a two-hour "Hart to Hart" spe- 453 people survived the colli-

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Mr. Stravinsky was reared in cial broadcast by NBC in Feb-

Often cast as a seriocomic villain, Mr. Stander appeared in attack in East Point, Georgia. such films as "Mr. Deeds Goes to Town," "Loved One," "New York, New York" and "1941."

Fiercely liberal, he made a memorable appearance in 1953 before the House Committee on Un-American Activities, which

#### Los Angeles.

#### Survivor Rescued In Manila Bay

The Associated Press MANILA - The second in command of the ferry that sank after colliding with a freighter was rescued in Manila Bay on Sunday, two days after the accident that killed more than 140 people, the coast guard said.

A coast guard spokesman, Lieutenant Commander Amado Samante, said Chief Mate Reynaldo Bulodo of the ferry Cebu City was rescued by a fishing boat off Naic, a town — Sviatoslav Soulima Stravin-sky, 84, a composer, pianist and the youngest son of Igor Stra-wagner and Stefanie Powers as

a fishing boat off Naic, a town about 40 kilometers (25 miles) southwest of Manila, near the site of the collision.

Commander Samante said

sion between the 2,432-ton ferry and the 12,500-ton Kota Suria, a Singaporean-registered freighter. Thirty-eight bodies have been recovered, and at least 107 people are missing and presumed drowned. An investi-

right of way.

gation of the accident launched Saturday has not yet determined which vessel had the

Luther H. Foster Jr., 81, who served as U.S. ambassador to headed Tuskegee Institute for 28 years, died Nov. 27 of a heart the Dominican Republic during that country's 1965 civil war and who recommended U.S. intervention, died Tuesday in Washington after a long illness. tor who won Academy Awards for his work in "West Side Sto-

George Bell Timmerman Jr., 82. one of the South's last segregationist politicians, died Tuesday in Columbia, South Carolina, where he had served as governor from 1955 to 1959. He died of injuries suffered in an automobile accident on Sept. 4.

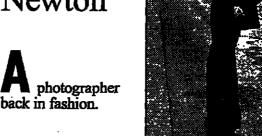
Connie Kay, 67, a drummer the Modern Jazz Quartet, died Wednesday of cardiac arrest at his nome in New York.

Samia Gamal, 70, one of the leading belly dancers in the Arab world, died of cancer Thursday in Cairo.

Marshall Sprague, 85, a historian and journalist who wrote books about the American West, died Sept. 9 in Colorado



Newton on Newton



# In this Tuesday's



Herald Tribune

As our world continues to be torn apart by ancient religious doctrines and superstitions, intelligent people are increasingly questioning the role of religion in contemporary society.

"supreme force", they consider the many religious beliefs to be confined to the limitations of manking's imagination.

Most religions insist their God is the only true God, but the probable fact is that no human being, considering the infancy of our evolution, can know what God really is - if indeed one exists at all.

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	- · ·	E% zero	07/20/95 02/23/95		8.5800 5.4800	<b>49</b> 83	Netherland Netherland	15 61	4	<i>07/15/9</i> 8	97.7500 100.8000	6-3900 6-4500		France OAT UK T-bills	872 Zero	03/15/02 05/11/95	101.0000 97.4689	8,42 5,76
159	Bundesbk Liq.	zero	12/21/94	99,7713	3.7000	87	Netherland	śs 7	1/2	01/15/23	96.0500	7.8100	202	UK T-bills	zero 8	01/12/95	99.2256 98.3500	
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# At Long Last, the Rally Takes Hold

By Carl Gewirtz

tional Herald Tribune PARIS — The long forecast, woefully delayed rally in financial markets has taken hold the way analysts expected almost a year ago: High and rising U.S. interest rates are pulling money into the dollar, and a weakening Deutsche mark is relieving currency tensions within Europe, enabling bond markets to recover.

The dollar finished at a two-month high of 100.605 yen in New York and was well bid against the Deutsche mark at 1.5800 DM. Meanwhile, U.S. bond markets stabilized last week despite a jump in shortterm yields and European bond prices rallied with the biggest gains registered in

Italy and France. The year's delay between forecast and performance is mostly dismissed as a pain-

ful detail. The market is in a "better late than never" mood.

"We've got good reason to celebrate," declares Christopher Potts at Banque Indosuez. "It should be clear to all that we've seen a major turn in all markets. Those who don't want to believe it will miss the

He dismissed comments that markets were overly volatile because of thinned year-end trading as "an alibi for people with no convictions who don't know what

But as far as the pessimists are concerned, the current rally is nothing more than a trap - a respite in the declines that will reappear early next year.

For these analysts, too much has changed to permit the scenario expected for the past year to begin unfolding now.

The key assumptions that separate optimists and pessimists are those on the outlook for U.S. inflation and the expected

trend in interest rates in Germany and the rest of Europe. Kit Juckes at S.G. Warburg & Co. in London warns that the high and rising U.S. interest rates now supporting the dollar will look less attractive next year as

rising inflation erodes the real return and

as increasing European interest rates further narrow the appeal to hold dollars. "I struggle to believe that this rally is the real thing," he says, noting that there is "a certain amount of complacency about the outlook" for inflation and the continuing

strength of the U.S. economy. "Year-end factors are helpful and tech-

See RALLY, Page 11

# A Tamer Week Seems Likely as Fed Vigil Begins

NEW YORK -After digesting a strong dose of economic data last week and winding up little changed, Treasury bond prices are likely to spend this week in a tight range as investors ponder whether the Federal Reserve Board will raise interest rates before Christmas.

"I don't see a compelling reason that anything is going to move," said Cary Lea-hey, economist at Lehman Brothers Inc. Bond prices were buffeted last week by a batch of data showing strong growth in the U.S. economy accompanied by only the

mildest signs of inflation. The yield on the benchmark 30-year Treasury bond finished the week at 7.91 percent, down slightly from 7.93 percent the previous week. But it was a wild nide for investors, with prices first plunging and

then surging back to recover the loss.

This week, investors can expect smoother sailing as the market awaits the outcome of the Fed's next policy-making Open Market Committee meeting on Dec. 20.

"The market has a 50-basis-point tightening built in for December and another 50 basis points" for the next Fed meeting in January, said Steve Wood, director of finan-cial market research for BA Securities.

Those expectations have seen the yield curve continue to flatten, with the spread

#### U.S. CREDIT MARKETS

between the 30-year bond yield and twoyear note yield collapsing to 49 basis points on Friday from 74 basis points a week ago.

"What is happening here is what theoreticians would expect" after 250 basis points of tightening by the Fed this year, said Sam

Kahan, economist at Fuji Securities. But the Fed still could be the Grinch that stole the bond market rally if it does not tighten Dec. 20, with the yield curve quickly steepening again, Mr. Wood said. "I don't see any possibility that the Fed will raise rates in December," said Anders

Ekernas, chief investment officer at ABB Investment Management Corp. in Stam-

ford. Connecticut. Some Wall Street traders might "get themselves into a lather" that the Fed will raise rates Dec. 20, said Robert Smith III, executive vice president at Smith Affiliated Capital Corp., but "my guess is that they'll probably wait until February."

But after job growth of 350,000 for November and a slide in the unemployment rate to 5.6 percent, the Fed could be spurred to raise rates if economic indicators due before Dec. 20 hint at inflation, other analysts said.

The Fed's so-called beige book of regional economic conditions is due Wednesday, and "any evidence that inflation is picking up in the wage market could be a problem," Mr. Leahey said.

Of more importance could be testimony Wednesday in Congress by Alan Greenspan, chairman of the Federal Reserve Board, on monetary policy and the economic outlook. (Knight-Ridder, Bloomberg)

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#### **New International Bond Issues**

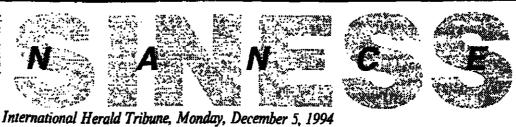
issuer	Amount	EE-4	Coup	۔۔یم ک	Price	Terrise
	(millions)	Mat.	%	- Price	week	
Floating Rate N	otes					
Crystal Castle Euro-Finance	\$150	1999	0,30	99.81	_	Over 3-month Libor, Noncollable, Fees 0.45%, Denominations \$10,000. (Swiss Bank Cor
Eagle Pier Corp.	5300	2001	1/4	99.73		Over 6-month Libor, Noncallable, Fees 0.25%, Payable in Jan. Increased from \$200 mill (Morgan Stanley Int'l.)
Federal Housing Finance	\$1,100	1995	Ув	100		Over 1-month Libor. Noncollable. Fees not disclosed. Denominations \$100,000. (Man Startley Int'l.)
Government Asset- Backed Securities	\$200	1999	0.15	99.79	_	Over 3-month Libor. Noncallable. Fees 0.275%. Denominations \$100,000. (Union Bank Switzerland.)
Spintab	\$200	1996	0,25	99.55		Over 3-month Libor, Noncollable, Fees not disclosed, Denominations \$10,000, (Lehn Brothers Int'l.)
St George Bank	\$250	2000	0.30	99.78		Over 3-month Libor, Noncollable. Fees 0.20%, Denominations \$10,000. Payable in J (Union Bank of Switzerland.)
Urban Mortgage Bank of Sweden	\$200	1996	1/16	99.318		Over 3-month Libor. Noncallable. Fees not disclosed. Denominations \$10,000. (J.P. More Securities.)
IMI Bank Int'l	£125	1999	Vв	99.575		Over 3-month Libor. Noncallable. Fees 0.15%. Denominations £100,000, Increased from £ million. (HSBC Markets.)
European Investment Bank	17L 240,000	1999	*4	100,30		Below 3-month Liber, Noncollable. Fees 0.30%. (CS First Boston.)
Montreal	cs 200	2000	0,08	99.37		Over 3-month Bankers' Acceptances. Noncollable. Fees 9,15%. Payable in Jon. (Merr Lynch Int'l.)
Fixed-Coupons						
Austria	\$400	2005	814	101,325	99.78	Reaffered at 99.65, Noncollable, Fees 2%. Payable in Jan. (J.P. Margan Securities.)
Banque Nationale de Paris	\$200	1997	7%	100,837	99.25	Reaffered at 99.90. Nancollable. Fees 1%%. Payable in Jan. (BNP Capital Markets.)
Bayerische Landesbank	\$200	1997	7-14	100,838	99.41	Reaffered at 99.65. Nancallable. Fungible with outstanding issue, raising total amount \$500 million. Fees 136%. (Lahman Brothers Int'l.)
Bayerische Vereinsbank Overseas Finance	\$200	1998	8	107.39	99.30	Reoffered at 99.99. Nancallable, Fees 1%%. (Swiss Bank Corp.)
Carco Auto Loan Master Trust 94-3	\$350	1997	81/s	101,015	_	Reoffered at 99.828. Nancallable. Fees 146%. (CS First Boston.)
CEZ Finance	\$150	1999	87/s	99,78		Semiannually. Noncollable. Fees 0.625%, Denominations \$10,000. (J.P. Margan Securities
Council of Europe	\$150	1996	7V2	100.83	99.64	Reoffered at 99.83. Nancallable. Fees 11/6%. (Swiss Bank Corp.)
European Investment Bank	2300	1999	8	101,335	99.90	Reaffered at 99.71. Noncallable, Fees 1%%. (Morgan Stanley Int'l.)
European Investment Bank	5300	2004	814	101,644	100.35	Reoffered at 99.369. Noncallable. Fees 2%. (Morgan Stanley Int'l.)
Export-Import Bank of Japan	2300	2004	81/4	99.46	99.50	Noncallable, Fees 0.325%. (Bank of Tokyo Capital Markets.)
Ford Credit Europe	\$200	1997	8	101.13	99.53	Reaffered at 99.96. Noncallable, Fees 136%. (ABN-AMRO Bank.)
Pepsico	\$250	1997	8	101,019	99.95	Reaffered at 99.869. Noncaliable, Fees 1%%. (Morgan Stanley Int'L.)
Suedwestdeutsche LB Capital Markets	\$200	1996	7%	100,76	99.48	Reoffered at 99.76. Noncollable. Fees 1%%. (Lehman Brothers InFL)
Walt Disney	\$300	1997	8	701.15	100,08	Reoffered at par. Nancallable, Fees 176%. (Merrill Lynch Int'l.)
Westdeutsche Landesbank	\$100	1996	7%	100.725	99.58	Reaffered at 99%. Noncallable. Fees not disclosed. (Crédit Lyonnais.)
General Electric Capital Corp.	DM 250	1998	7	102.05		Reoffered at 100%. Noncallable. Fees 1%%. (J.P. Morgan Securities.)
Swiss Bank Corp. (Jersey)	DM 400	2000	7	101,57		Reoffered at 99.82. Noncallable. Fees 2%. Payable in Jan. (Swiss Bank Corp.)
DSL Bank	100	1996	8	100.816	=	Reaffered at 99,816. Noncallable. Fees 11/2%. (Barciays de Zoete Wedd.)
Bayerische Hypotheken und Wechsel Bank	FF 1,000	1996	7	101.05	99,17	Reaffered at 99.95. Nancallable. Fees 11/4%. (Crédit Commercial de France.)
DEPFA	ITL 150,000	1997	10.80	101.05	100.00	Noncolishia East 14.07 Parable 1
Commerzbank	Auss 125	2000	10/2	101.05	99,35	Noncaliable, Fees 11/6%. Payable in Jan. (Banca di Roma.) Noncaliable, Fees 2%. Payable in Jan. (Hambros Bank.)
Overseas Finance Dresdner Bank	Auss 75	1998	10	101.055	98,70	Noncallable. Fees 11/2%. Payable in Jan. (Dresdaer Bank.)
Austrolia	Au <sub>3</sub> 5 100	1997	41/2	88.138	<del>-</del>	Semiannually, Noncaliable, Fees 146%, Denominations Aussi0,000, (Normura Int'L)
New South Wales	Aus\$ 100	1997	41/2	87.324		Semigranually. Noncallable. Fees 146%. Denominations Aus\$10,000. (Namura int'l.)
Treasury Corp. New South Wales				991/2		Noncallable. Fees not disclosed. Denominations 18 million yea. (Daiwa Europe.)
Treasury Corp.	y 12,500.	1999	7.19			
Treasury Corp.  New South Wales Treasury Corp.	y 12,500. Y 20,000	1999 1997	3.45	100.05	~	Noncollable, Fees 0,15%, Denominations 100 million was 45 V.5 1-44
Treasury Corp.  New South Wales Treasury Corp.  Argentina	<del></del> -			100.05 100.075	<u> </u>	Noncollable. Fees 0.15%, Denominations 109 million yen. (DKB Infl.)
Treasury Corp.  New South Wales Treasury Corp.  Argentina Commerzbank Ireland Korea	Y 20,000	1997	3.45		=	Nancallable. Fees 0.15%, Denominations 100 million yen. (DKB Infl.) Noncallable. Fees 0.325%. Payable in Jon. (Merrill Lynch infl.)
Treasury Corp. New South Wales Treasury Corp. Argentina Commerzbank treland Korea Development Bank Korea	Y 20,000 Y 30,000	1997 2005	3.45 4.80	100.075		Noncallable. Fees 0.15%, Denominations 100 million yen. (DKB infl.)  Noncallable. Fees 0.325%. Payable in Jan. (Merrill Lynch infl.)  Noncallable. Fees not disclosed. Payable in Jan. (Yamalchi Infl Bank.)
Treasury Corp.  New South Wales Treasury Corp.  Argentina Commerzbank Ireland Korea Development Bank	Y 20,000 Y 30,000 Y 10,000	1997 2005 1998	3.45 4.80 3.95	100.075 99.99		Nancallable. Fees 0.15%, Denominations 100 million yen. (DKB Infl.) Noncallable. Fees 0.325%. Payable in Jon. (Merrill Lynch Infl.)

### Euromarts **Weekly Sales** 3,745.62 3,708.27 + 1.01 % 179.41 179.61 - 0.11 % 1,436.40 1,429.18 + 0.51 % Discount rate 471.47 +0.14 % 452.29 +0.22 % 537.51 +0.25 % 247.49 +0.17 % Federal funds rate Discount FTSE 100 FT 30

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### INTERNATIONAL MANAGER

#### Alfa Chief Plans to Profit From Mexico Phone Deal

By Anthony DePalma New York Times Service
ONTERREY, Mexico — He had just pulled off the deal of the year, swiping a sweet S1 billion joint venture with AT&T out from under his competitors' noses — and in the process reshaping the future of telecommunications in Mexico.

So how did Dionisio Garza Medina, 40, the chairman of the Alfa

group and scion of one of Mexico's most prestigious business dynasties, celebrate his coup?

Global competition He wolfed down a turkey sandwich and a soda at the AT&T offices in Mexico City changed the rules of and open borders have where the announcement was made before he boarded a pri- Mexican business. vate jet to Alfa's headquarters in Monterrey to get back to work.

Mr. Garza may come from an old-line industrial family, but he represents a new kind of Mexican executive. Since becoming Alfa's chairman and chief executive in April, he

has quickly recognized that global competition and open borders have changed the rules of Mexican business.

In his first few months in charge of the diverse conglomerate, he has any control of the form has cut corporate costs by 40 percent, taken two of the four divisions public and, most notably, signed the deal with AT&T to form a joint venture that is sure to get a big piece of Mexico's longdistance business in just over two years.

The right to provide long-distance service now belongs exclusively to Telefonos de México, but its government-protected monopoly lasts only until 1997. Then the government will spread the business around, and Alfa and AT&T are certain to get a big chunk of it. It may seem odd that AT&T would choose a company like Alfa,

with no experience in telecommunications, but what it clearly wanted was a partner that knows Mexico well, that knows the regulatory ins and outs. Mr. Garza convinced AT&T that Alfa could offer exactly that.

"I think he is going to turn out to be one of Mexico's great entrepreneurs," said Timothy George, a friend of Mr. Garza's who is an investment banker at Morgan Stanley & Co. and who made the initial contacts between Alfa and AT&T.

Mr. Garza's rapid-fire moves have shaken up a company so battered by a brutal economic restructuring and family hardships -including a 1973 kidnapping that ended in the murder of a Garza patriarch — that it was in danger of losing its place as a force in the Mexican economy.

"When I took over, there was a feeling that Alfa had to do something," Mr. Garza said.

When the government privatized Teléfonos de México in 1990, the board of Alfa considered bidding for it. But recalling the disastrous growth of the 70s, the members decided it would be wiser to complete a restructuring and invest any available cash in its core

The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Danmark, Finince, Germany, Hong Kong, Italy, Nexico, Netherlanda, New Finiand, Newsy, Singapore, Spein, Swaden, Switzerland and Venezuela. For Tokyo, New York and London, the Index is composed of the 20 lop issues in terms of market capitalization, otherwise the ten top stocks are tracked.

#### **CURRENCY RATES**

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# GATT Opens Doors to New Issues

#### Despite Accord, Trade Issues May Only Get Tougher

By David E. Sanger
New York Times Service

WASHINGTON — The enormous global trade agreement approved by Congress this week does not mean an end to trade conflicts, economists and administration officials say.

If anything, the biggest trade accord in two generations will clear the way for new struggles over a different breed of

trade barriers, which may be more daunting than those it resolved.

The 22,000-page General Agreement on Tariffs and Trade dealt with many of the sensitive political issues facing the international trading system, including the gradual reduction of tariffs on agricultural products and the protection of intellectual property rights, such as copyrights and patents.

But the conflicts the Clinton administration and others see ahead will involve a new generation of issues that mirror many of the foreign policy problems fac-ing the United States today. Those issues include how countries act within their borders on labor conditions, environ-mental standards and human rights,

These were some of the most emotional matters brought up by GATT opponents in the debate that preceded Thursday's Senate vote. But many of the targets of these complaints, such as China and Indonesia, have already told Washington that they consider these questions to be none of its business. All of those issues are outside of

GATT, and many think they should stay

Talks already have begun on another set of issues that were left over when the GATT negotiations ended, including the movement of "cultural" products, such as movies, across national borders and the opening of markets to foreign insurance companies, securities firms and banks. Those are also the subject of several bilateral negotiations, particularly between the United States and Japan.

These new issues are likely to be played out in new forums. For many reasons, this GATT, in fact, may be the last sweeping global agreement of its kind. No one is eager to slog through another 12 years of talks with such an

rather than simply how they interact array of players, each with radically dif-with other states. array of players, each with radically dif-ferent interests.

During the recent debate, members of Congress repeatedly expressed frustra-tion that the expansion of the GATT was so vast, and its effects so unpredictable, that none of the experts and lobbyists who descended on Capitol Hill could come up with believable estimates of bow much the American economy would benefit, or how many American workers would lose their jobs because of increased imports.

"In the end, most everyone voted on an emotion about freer trade," one U.S. official said Friday. "No one wanted to

look like an economic Neanderthal." To make the next set of agreements easier to negotiate and more understandable, many think the drive to liberalize commerce will continue largely on a regional basis, through accords in Asia, the Americas and Europe.

■ China Attacks U.S. on GATT

China said Sunday it would probably be unable to rejoin GATT this year be-cause of opposition from the United See GATT, Page 11

# **EU to Enshrine Wide Currency Bands**

BRUSSELS - European Union finance ministers Monday are expected to declare the current wide fluctuation bands of its exchange-rate mechanism to be the new norm, as the EU's single currency plans are revived 16 months after being all

but declared dead. The language is very convo-

PARIS — The failure of an Ariane launch last

week, the second this year, is a blow to Ariane-

space, the pan-European consortium that builds

the rocket, as well as to satellite operators and

television viewers. But it is unlikely to hurt the

The satellite launch business is inherently risky,

more than 50 European aerospace and defense

satellite launches. Only two other companies.

The National Aeronautics and Space Admin-

All three companies are booked solid for the

Still, a second failure in a year is enough to put

next two years; Arianespace has scheduled 30 launches by the end of 1996.

commercial satellites with its space shuttles.

Taipei Notebook

rocket consortium in the short term.

tively declaring the current projects. bands normal," an EU source

Ariane Failure Raises Questions,

But Business Is Not Likely to Suffer

companies, controls 50 percent of the market in is the nature of the profession we are in."

luted, but the end result is effec- funds for 14 major road and rail Finance ministers have until

the end of the year to decide whether to retain the guidelines The source was referring to a document the officials will discuss over lunch at a meeting fluctuate as much as 15 percent mainly dedicated to looking at above or below a central rate.

the state of the economy, fighting unemployment and finding widened the fluctuation band,

means it will have an important psychological

cer at Futelsat, the European Telecommunica

satellite is scheduled for the next Ariane launch.

August 1993 to try to preserve a system that had come under heavy speculative attack. The decision on whether to

declare the 15 percent bands normal is the key to whether the door to creating a single currency at the start of 1997 is to be left open. Under the Maastricht Treaty, a currency must have been inside its so-called normal bands for at least two years to qualify that country to join in the single European currency.

A declaration of normality would have no immediate impact on the currencies in the grid, which are the Deutsche mark, the guilder, the Irish "It's the second in a calendar year, and that punt, Danish krone, the French, Belgian and Luxemimpact," Claude Sanchez, a spokesman for the European consortium, said. "This is serious." bourg francs, the peseta and the escudo.

But Mr. Sanchez maintained that it would not But it would be highly symbe enough to send away customers, or to topple bolic of the EU's revitalized intention to press ahead with its plans to create a single currency Arianespace from its perch as the leading launch company worldwide. plans to create a single currency "Has it shaken our confidence? Absolutely either in 1997 or by 1999 — an a fact conceded by satellite operators, who also not," said Vanessa O'Connor, information officides many thought was dead less when the exchange-rate Arianespace, a French-led group comprising tions Satellite Organization. "Unmanned launch mechanism collapsed last year. The ministers at the meeting

vehicles cannot be 100 percent failure-free. This also will try to decide how to Entelsat knows that better than anyone. It was fund the 14 multimillion-dollar both American, offer comparable services: McDonnell Douglas Corp., with the Delta II rocket,
and Martin Marietta Corp., with the Atlas.

both American, offer comparable services: Mcbutter group, a pan-European cooperative, whose road and rail proposals put
satellite was lost in January when Ariane's launch
forth by the European Commisno. 63 fell into the Atlantic after the launcher's sion. No. 63 fell into the Atlantic after the launcher's third stage failed — the same scenario as in

A group chaired by Henning istration, the U.S. space agency, also launches Friday's crash. Eutelsat's Hot Bird 1 television Christophersen, the commissioner for economic and finan-But Entelsat and other satellite operators lose cial affairs, has said that financ-ground every time a launch operation fails. ing for only five of the 14

Though operators often have spare satellites projects is in place or close to it.

made in the event of a crash, it is often many months before the spares are ready to be sent.

The group, with the exception of Britain, agreed that all funding options should be left

> The British representative refused to agree to any new forms of support. That is our position. We are not alone," a British diplomat said.

## **Balancing Costs And Open Skies** By Barry James International Herald Tribune

**EU Airlines Try** 

PARIS — The problems faced by the state-owned Iberia Air Lines of Spain illustrate the crisis of an industry attempting to cope with a history of overstaffing and high costs, while facing a deadline for full deregulation within the European Union.

In a job-cutting and pay-slashing deal still being negotiated by its pilots, Iberia's management is seeking to create conditions for the European Union to authorize a 130 billion

peseta (\$1 billion) state bailout. European airlines have until April 1, 1997, to prepare for an open-skies policy that will per-mit any EU airline to operate anywhere in the Union with few restrictions.

Europe's struggling stateowned airlines are to receive \$7 billion in government aid authorized this year by the European Commission. This includes \$3.7 billion for Air France, \$2.3 billion to Olympic Airways and \$1.1 billion to TAP Air Portugal. Iberia received a 120 billion peseta bailout in 1992, which places a question mark over its attempt to obtain a fresh cash injection

from the government. The European Commission

last month adopted new guidelines for aid in the aviation sector, which state that an airline can receive aid only once as part of a strict restructuring program that excludes the right to increase capacity to the detriment of rival carriers. Companies that have received aid already "need not come knocking at the door again," said the EU's competition chief, Karel Van Miert.

Whether the guidelines apply retroactively to Iberia may end up being tested in court. British Airways, which is challenging the Air France subsidy in the European Court, said it was nuropean Court, said it was watching the Iberia situation Tokyo Office as carefully.

trouble is because their struc-

#### Zambia Liquidates Its National Airline

LUSAKA, Zambia -- Debtridden Zambia Airways has been liquidated and its 1,300 workers dismissed, the nation's vice president, Godfrey Miyanda, announced Saturday. Mr. Miyanda said it would have cost \$100 million or more to rescue the carrier. International donors had threatened to

such a rescue.

Agence France-Presse

current overcapacity," one analyst said. "There is simply too much capacity chasing the available passengers at the pre-vailing prices. The prices have come down, and the airlines have got too high a cost structure to cope with the yields, which are obtainable from to-

day's market." EU officials say the large amounts of state aid to strug-gling flag carriers are one of the reasons the latest round of European deregulation, introduced in January 1993, has not had more of a direct impact. This aid has made it more

difficult for smaller carriers and start-up operations to obtain bank financing.

Established airlines have held on to most of their airport slots, impeding the efforts of smaller airlines to open new routes. The battle for landing rights at Orly Airport near Paris, where several independent airlines have challenged the monopoly of Air France and its Air Inter subsidiary, illustrates the overcapacity at several European airports.

Overstretched air traffic control resources have also discouraged the growth of a deregulat-

Under current deregulation rules, European airlines have limited cabotage rights. British Airways, for example, can fly from London to Lyon and pick up passengers in Paris, provided that these do not exceed 50 percent of seat capacity on the route. But in 1997, airlines will obtain full cabotage rights, which means that British Airways will be able, if it wishes, to set up domestic operations in

See AIR, Page 12

# **Kidder to Close** "The reason that Iberia and Part of Sale by GE

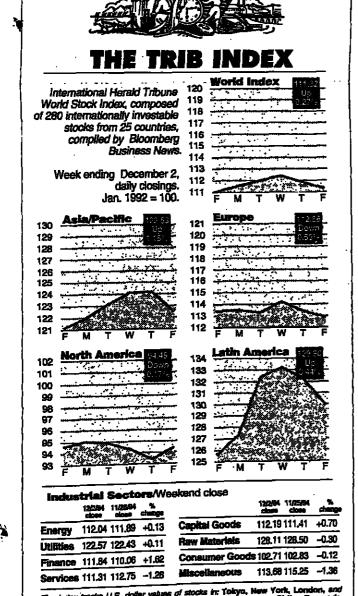
Bloomberg Business News

TOKYO - Kidder, Peabody & Co. will announce Monday that it is closing its Tokyo branch and laying off about 140 employees, the Nihon Keizai newspaper reported.

The U.S. brokerage, a unit of

General Electric Co., is being sold to PaineWebber Group Inc. for \$670 million of stock. PaineWebber said last week it would keep Kidder's offices in Zurich and Geneva but would close its office in Paris.

More than 2,000 Kidder employees are expected to lose their jobs because of the sale, withhold \$160 million in aid for the newspaper reported Satur-Zambia's balance of payments day, but PaineWebber said it if the government attempted had recently hired 140 Kidder employees.



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# Stock Scandal Just a Diversion

No strangers to shenanigans, Taiwan's stock market players are carefully monitoring a special investigation into one of the country's biggest speculators and a powerful legis-

lator, James Oung Ta-ming,
Mr. Oung and a few colleagues find themselves at the center of a scandal over a series of stock defaults that knocked the highly speculative market down from four-year

The authorities are trying to determine whether Mr. Oung played a role in the meteoric and inexplicable rise of locally listed Imperial Hotel shares and 3.4 billion Taiwan dollars (\$130 million) in defaults that paralyzed the market when big speculators in the

stock couldn't meet their margin calls.
It is not Mr. Oung's first time in the limelight, but judging from small investors' reac-tions to the case and other market controversies, they are not too worried if it isn't the last.

"The punters love the so-called big hands," said the head of a foreign brokerage in Taipei, referring to the major stock players who contribute much to the local exchange's notorious volatility and huge daily turnover — \$2.08 billion on Friday, which was moderate.

"The big hands' moves create the specula-

tive action, and naturally everyone thinks they've got the inside track on information," the broker said of a market where at least 80 percent of turnover is attributed to small investors. "Of course, that's exactly what the big speculators want them to think."

In the case of Impenal Hotel, its shares started the year at 78 Taiwan dollars and soared to 402 in August before shrinking to 53.50 at Friday's close.

#### Taiwan Moves Up in GATT Race

While Beijing and the rest of the world grandstandingly debate whether China qualifies as a developed country or not for the purposes of joining the General Agreement on Tariffs and Trade and its successor, the World Trade Organization, Taiwan is quietly getting on with its own application.

A highly protected economy where intellectual property protection is often ignored, Taiwan, applying as a developed economy, has rapidly moved to lower barriers to many imports and improve copyright and trademark protection. Things are not yet perfect, according to

Taiwan's trading partners and the countries

closely involved with its GATT application. Agricultural imports and financial market access remain hot issues.

But as keen as Taipei is to get into GATT before its political rival Beijing is included, Taiwan's negotiators are not offering too many concessions too quickly.

Any move to allow Taiwan into the global trade club before China would undoubtedly provoke China, something for which Washington, Tokyo and Europe have no apparent appetite these days.

#### Election Raises Media's Profile

Islandwide elections held Saturday brought to a climax the debate over the role of Taiwan's three commercial television stations in

a more democratic society.

A legacy of the days when Chiang Kaishek's Nationalist Party ruled with no opposition, one station is controlled by the Taiwan provincial government, another by the armed forces and a third by a commercial arm of the Nationalist Party, or Kuomintang.

Members of the opposition parties have cried foul over perceived bias against their candidates and turned to underground radio stations and pirate television broadcasts to get their message out.

Sensitive to criticism of the Kuomintang's control of the mainstream media, the central government is allowing more radio stations to he licensed and expects to open bidding for a fourth commercial television broadcaster.

For some in the industry, change can't come soon enough. Taiwan Television Enterprise has borne the brunt of campaign criticism. One of its lead-

ing news reporters went on a hunger strike

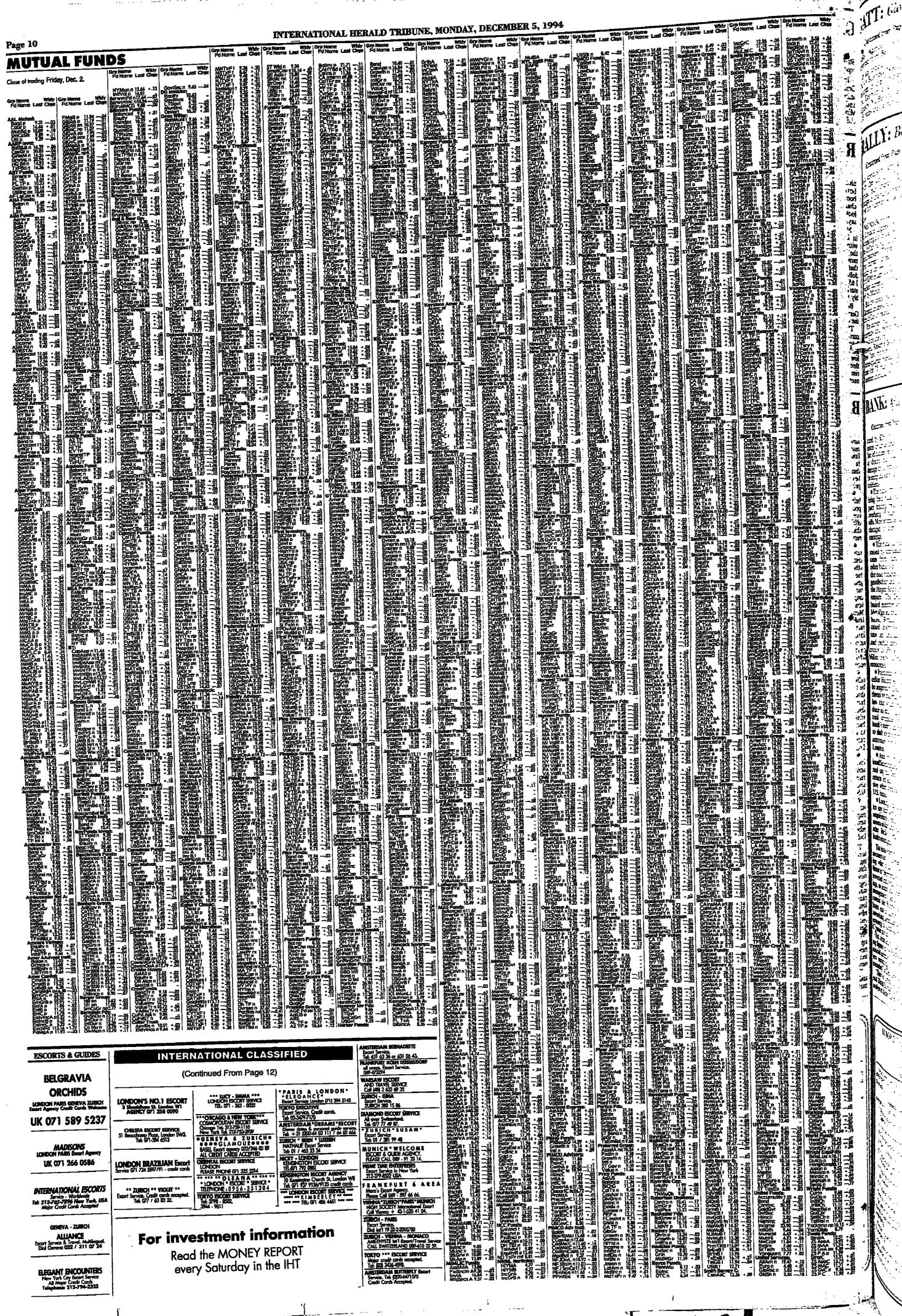
over its decision not to broadcast an impres-

sive opposition open-air rally. But the station also was attacked by the Nationalists, whose party runs the government that controls TTV. Unhappy with a controversial report, a rowdy demonstration arrived at TTV head-quarters vowing to pummel the building with 10,000 eggs until Chuang Cheng-yen, the gen-

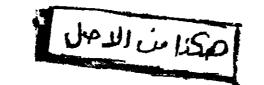
eral manager, apologized to them.
"I was happier working in the sport department," said the news department manager, Liao Tsang-song, of the new operating envi-ronment, according to local newspaper reports.

Kevin Murphy





صكذا من الدعل



# GATT: Global Trade Agreement Doesn't Mean It's Now Smooth Sailing

Continued from Page 9 states, Agence France-Presse eported from Beijing.

In an article in the China Daily's Business Weekly, a reearcher in the Foreign Trade and Economic Cooperation Ministry, Yu Peiwer, said, "The U.S. fears that a rapidly grow-

A South Commenced where the second commenced in the se

able China to join hands some is to pry open China's financial, day with developing countries insurance, telecommunications, to pose a threat to the U.S. transports and other service dominant status in the world

economy." That was why the United States was asking the impossible from China on the question of GATT, he said.

"The real purpose of the U.S. economist in the ministry.

markets." The sectors where the United States requires the most from powerful, such as automobiles and services, said Mr. Yu, an

China was a founding mem-

ber of GATT but quit in 1950 after the Communists came to power. It asked for readmission in 1986 and would like to rejoin this year so it can be part of the the Chinese are those where it is creation of the World Trade Organization, which will replace GATT on Jan. 1.

# Taiwan's Markets **Prepare for Rally** After 'Stability' Vote

Compiled by Our Staff From Disputche

TAIPEI - The victory by the governing Nationalist Party in historic elections Saturday was an endorsement of political stability that is likely to give a boost to Taiwan's economy, business leaders said Sunday.

"The result is a triumph for stability, and that in turn should be good for business and the economy," said David Yu, manager of the Taipei Fund and vice president of National Investment Trust Co.

This was a stabilizing election at home and in cross-strait ties," said James Robinson, a professor of the University of

West Florida, who was in Taiper to observe the vote. The strong showing by the Nationalists should propel a rally in share prices, analysts said. The market bullishness would be underpinned by Taiwan's good economic fundamentals, they said. The Taiwan dollar, which closed at 26.29

more than 100 companies, was the business leaders' favorite in Taiwan because of its close contacts with the island's powerful conglomerates, analysts said.

The ruling party won the governor's race, and this will likely trigger a short rally for celebration led by the Big Three provincial banks this week," said Ben Chen, managing director of Barclays de Zoete Wedd. The Big Three banks are the First Commercial Bank, Hua Nan Commercial Bank Ltd. and Chang Hwa Commercial Bank Ltd.

mixed with people's wish for stability and innovation," said Daniel Chen, chief economist of Chinatrust Commercial Bank, Taiwan's largest private bank.

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# RALLY: Bond Markets Finally Gain Ground, a Year After the Forecast

nical conditions are good for both the dollar and dollar bonds, but there's been no change in the fundamental outlook for further weakness," he

Neil MacKinnon at Citibank in London argues that "we're witnessing a cyclical recovery of the dollar rather than a structural recovery. There's no doubt that current direction of the dollar is up — it could reach 1.65 DM much sooner than the market currently thinks, possibly by March."

But by then, he says, rising German interest rates will cause the dollar to retreat.

The current rally in the U.S. currency and bond markets is based on the conviction that the Federal Reserve Board will follow last month's aggressive three-quarter percentage point rise (or 75 basis points) with another increase, possibly at its will keep inflation tamed.

Dec. 20 meeting or at the latest at its Feb. 1 meeting.

The continuing strength shown in the latest economic reports has eliminated any next year," says Bob Tyley at doubt about the Fed's next move. This was shown by the dramatic rise in the yield of the three-month Eurodollar futures contract, up 45 basis points to 7.15 percent for March and 8.2 percent for December 1995. Three-month deposits currently fetch 6% percent.

Although there was some question about how much of this change might have reflected forced liquidation of losing positions in the derivatives mar-ket, analysts agreed that the futures market now fully dis-counted a big Fed increase in

short-term rates. The fact that long-term U.S. bond yields were virtually unchanged on the week shows that bondholders are convinced that the anticipated Fed increases

"Inflation expectations have and then begin raising them by clearly diminished as a result of autumn, or whether it will start perceived aggressive action raising rates in the opening from the Fed in the first half of Paribas Capital Markets in London.

It is those diminished fears

about inflation that now pose the greatest risk. "Deteriorating inflation performance represents the principal risk for bond markets," says John Lipsky at Salomon Brothers Inc. in New inflation is likely to edge higher. In his view, "it would be premature to conclude that upward yield curve on benchmark U.S. pressures on bond yields have abated."

Against that background, the dollar is especially vulnerable to changes in German interest rates. There is a raging debate about whether Germany will hold rates stable through the

and the market interest rates reflecting anticipated rises in short-term levels, there has

But with the dollar on the rise

months of 1995.

been a flurry to buy dollar paper on the international capital market. New fixed-coupon issues amounting to \$3.6 billion were launched last week, of which all but \$1 billion mature York, who says he believes core in less than five years. Investors have little incentive to buy longer-dated paper because the government paper is unusually flat: 7.7 percent at five years, 7.8 at 10 years and 7.91 percent at 30 years.

Although issuance of dollar paper is expected to remain heavy, the main focus this week is expected to be a jumbo 2.5 end of next year, whether it will billion DM, five-year issue cuts rates early in the new year from Spain.

national investment banking

## BANK: After a Tough Year, Deutsche Bank Looks Ahead to Better Times

#### Continued from Page 1

sured by \$350 billion of total assets, or an estimated \$13 billion of hidden reserves - is not in doubt, but repairing the damage to its reputation could be complicated by the following

problems: • The bank's profit growth is being held back this year by poor trading results and the overhang of huge loan writeoffs. Most estimates call for unchanged or even lower 1994

: carnings The bank has been embarrassed by unprecedented criticism from shareholders and other banks over its handling of the near bankruptcy of Metallgesellschaft and the collapse of the Jürgen Schneider real estate empire. The Deutsche Bank board member who chairs the Metaligesellschaft supervisory board, Ronaldo Schmitz, has raised eyebrows by phunging into an unusually emotional and public debate with such critics as Professor Merton different from the outside per-Miller, the Nobel Prize-winning

economist cellor Helmut Kohl are said to be angered by Deutsche Bank's threat to challenge in court any law that would force it to reduce its equity stakes in indus-trial companies and by the bank's recently announced plan to shift its investment banking activities from Frankfurt to

London. • Analysts complain about insufficient financial disclosure and say that Deutsche Bank's return on equity is unimpressive when compared with big U.S. banks.

• Looking to the future, critics say that despite profitable acquisitions of retail bank businesses in Italy and Spain, Deutsche Bank's overall strategy looks unimaginative, if stolid.

The bank's response has been to come out of its corner attacking what it calls a political threat to "expropriate" its controversial industrial shareholdings, to admit that there were management lapses, which caused the Schneider loan losses, and to launch a costly advertising campaign aimed at restoring its standing with the German public.
Yet, some analysts and lead-

ing figures in the Frankfurt financial community say they detect something of a "bunker mentality" at Deutsche Bank. They've turned full circle," said Derek Bulman, a banking analyst at James Capel in Lon-

in the past to criticism they are now perhaps too sensitive.

"There seem to be some credit control weaknesses, and I think Deutsche Bank would admit that," Mr. Grant said. "I think the bank has had a

has had to reassess its internal controls," he added.

closer look at itself, has been stopped a bit in its tracks, and

An executive at a rival British bank, speaking on condition he played arrogance in pushing

don. "Having been insensitive an oil futures contract in New York that brought the company to the brink of bankruptcy early this year. He denied the assertion by Professor Miller and other critics that the huge losses

> solvent" and needed a rescue. When asked to respond to the complaint from other European banks that Deutsche Bank dis-

usual arm-twisting."

But the Deutsche Bank direc-

World Bond Fund

European Equities Japanese Equities

Emerging Markets Cash Enhancement Arbitrage Hadge

above mentioned Net Asset Values."

#### The bank's financial strength is not in doubt, but repairing the damage to its reputation could be complicated.

not be named, called Deutsche through a costly debt reschedul-Bank "a formidable institu- ing for Metallgesellschaft in tion." But he added that the January, Mr. Breuer said the bank "is not as well managed as fear of a big bankruptcy caused it likes to pretend."

The view from the Deutsche Bank boardroom is obviously spective. During an interview in Munich last week, Rolf-Ernst • Politicians close to Chan-Brener, one of the 12 board members, offered a defense of the bank.

Mr. Breuer declined to make any profit forecasts, but he acknowledged that earnings from trading in foreign exchange, derivatives, bonds and other secu-rities had suffered "a very substantial decline.

Analysts expect Deutsche Bank's 1994 pretax profit to decline slightly from last year's 4.6 billion Deutsche marks (\$3 billion). Net income is expected to fall from 2.2 billion DM in 1993 to less than 2.0 billion DM.

Loan loss provisions, including a previously announced 473 million DM charge for the col-lapse of the Schneider business, will be lower than the 3,3 billion DM recorded in 1993, but prob-

ably still above 2.0 billion DM. But the bank's return on equity, which was 12 percent last year, is considered to be poor by most analysts when compared with banks of compara-ble size in the United States though similar to that of other German banks.

Perhaps even more striking is the degree to which Deutsche Bank is depending on earnings from its Italian bank subidiary and from its Luxembourg operations to offset what looks like being a lackluster interest and commission income performance in Germany.

Mr. Breuer, 57, defended the way Metallgesellschaft handled operations with its Morgan Grenfell subsidiary in London.

Politicians were upset because it was Mr. Breuer — as president of the Frankfurt at Metallgesellschaft need not Stock Exchange's operating company - who backed Mr. have occurred, claiming that the company was "technically in-Kohl's drive to create a European financial center in Frank-

> He said he had not betrayed Frankfurt "because I never sug-gested that Germany should be the place where international securities should be traded." But he acknowledged that it would take three to five years before Deutsche Bank could hope to compete with investment banks such as Merrill Lynch & Co. or Goldman Sachs

Deutsche Bank's future strategy, meanwhile, would involve seeking to retain market share at home in retail and corporate his bank "to do more than the banking limiting other European retail banking business to Italy and Spain, and trying to develop capital markets business through Europe.

Deutsche Bank's future strategy seems solid enough but rather unexciting. Some say that given the problems of 1994. Deutsche parties for a law to limit bank Bank will remain under close equity stakes in industrial com- scrutiny for many months. One analyst said Deutsche Bank's Mr. Brener also responded to woes could eventually prove to criticism from politicians in be helpful to the bank because Bonn at Deutsche Bank's recent "they have been living in an

#### tor seemed certain that he could forecast political and judicial Analysts acknowledge that events in Germany, saying he considered new legislation unlikely to be passed despite calls from leading politicians in all

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"An attachement has been made against certain assets of the company in Luxembourg for a value of

USD 1,500,000. The possible effect of this attachment

has not been taken into account on computing the

XEU XEU JPY USD USD USD

decision to consolidate its inter- ivory tower for much too long."

12.54 14.36 8.32 22.94 8.98 9.92

# to the U.S. dollar, is also expected to strengthen. The Nationalist Party, a huge corporate force that owns

"It's the best result we could have had, a modest change

(Bloomberg, Reuters)

#### PROMET ENGINEERING (SINGAPORE) PTE LTD

**INVITATION** for pre-qualification for the procurement of "goods" for:

#### HUB RIVER FUEL OIL PIPELINES PROJECT IN PAKISTAN

Asia Petroleum Limited has applied for a loan from the World Bank (WB) towards the cost of the Hub River Fuel Oil Pipeline Project in Pakistan and it is intended that part of the proceeds of this loan will be applied to eligible payments under the contract(s) for which this invitation to pre-qualify is issued. The funding facility will be extended trhough the Private Sector Energy Development Fund (PSEDF) administered by the National Development Finance Corporation (NDFC) and will be as per the WB/PSEDF guidelines. This facility has been established by the Government of Pakistan under an arrangement with the WB to finance energy and infrastructure projects in the private sector.

2. The Hub River Fuel Oil Project comprises the engineering, procurement and construction activities associated with underground cross country 36" and 14" high pressure fuel oil pipelines, and associated facilities. The pipelines are designed to supply heavy furnace oil from the Marine Oil Terminal (at Port Qasim) to storage tankage at Pipri Terminal and from there to storage tankage at Hub Power Company (HUBCo). The pipeline originates at the Marine Oil Terminal located at Port Qasim, Karachi, Pakistan and ends at the Hub Power Plant at Khalifa Point in the Hub District of Balochistan. Total overafi length of the pieline is approximately 85 km.

Promet Engineering (S) Pte Ltd (PE(S)PL), the Engineering, Procurement and Construction Contractor for this project invites, on behalf of APL, interested and suitably experienced and financially sound international suppliers and fabricators to submit for pre-qualification for:

(A) The supply of major components for the pipeline including, but not limited to: line pipe, pipe coating and insulation, mainline valves and scraper laucher/receivers.

(B) The supply and fabrication of modularised equipment complete with instrumentation, control panels, etc. including, but not limited to: mainline pumps and drivers, booster pumps and drivers, heat exchangers, boiler packages, water cooling system, instrument air system, meter and meter provers, pre-fabricated control building complete with Supervisory Control and Data Acquisition system including fibre optic communications, and diesel purging facilities.

4. SCOPE OF WORK The scope of work consists of the procurement and fabrication of major components for 36" and 14" underground cross country high pressure fuel oil pipelines, designed to supply heavy furnace oil from the Marine Oil Terminal (at Port Qasim) to storage tankage at Piori Terminal. Sind Province and from there to storage tankage at Hub Power Company (HUBCO),

Baluchistan Province. The procurement would involve, but not necessary be limited to, the supply and delivery of:

Line Pipe – both 36' and 14' diameter, ERW type to API specification

Pipe coating and insulation

Pipeline valves and ancillary associated equipment Scraper launchers/receivers

Other Long Lead Mechanical and Electrical Equipment and Instruments

It is envisaged that the following items will be provided as modularised units: Mainline (positive displacement type) and Booster Pumps (centrifugal type) complete with drivers and associated controls

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Petroleum Limited, and the supplier(s).

Boller package(s), including water treatment

Air system

Diesel purging system Water cooling system

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5. Prequalification is open to firms and voluntarily formed joint ventures from eligible source countries as defined under the 'Guidelines: Procurement under IBRD Loan and IDA Credits." Domestic contractors may apply for qualification independently or in joint venture with foreign contractors.

6. Interested eligible suppliers and constructors may obtain further information and inspect the pre-qualification documents at the following address:

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7. A complete set of pre-qualification documents may be purchased by any intersted eligible applicant on the submission of a written application to the above address (Attention: Project Director) and upon payment of a non-refundable fee of US\$ 200 Requests submitted by mail should include a certified cheque in the amount and currency indicated above in favour of Promet Engineering (S) Pte Ltd. The document will be promptly despatched by registered airmail. Under no circumstances will APL or PE(S)PL be held responsible for late delivery or loss of the documents so mailed.

8. The pre-qualification documents must be duly completed and returned to the address noted at Para 6 above, before the specified pre-qualification closure date (nominally 45 days after date of placement of initial advertisement). All contacts emanating from this enquiry to sultably qualified supplier will be executed between Promet Engineering (S) Pte.

Ltd., the (EPC) Engineering, Procurement and Construction contractor, acting as the "Employer" on behalf of Asia

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#### LUXOR INVESTMENT COMPANY 10 A, Boulevard Royal R.C. Luxembourg B 27.109

Notice is hereby given that the ANNUAL GENERAL MEETING of LUXOR INVESTMENT COMPANY will be held at the Registered Office in Lan Bookevani Royal, on: Wednesday 14th December, 1994 at 14 hours,

Notice of Meeting

for the purpose of considering the following Agenda: 1. To receive and adopt the Management Report of the Directors for the year to 30th To receive and adopt the Report of the Auditor for the year to 30th September, 1994.

3. To receive and adopt the Americal Accounts as at 30th September, 1994, 4. To appropriate the earnings. 5. To grant discharge to the Directors in respect of the execution of their mandates to

6. To receive and act on the sametery communion for election of the Audien for a new term of one year. 7. To transact any other business. The resolutions will be carried by a majority of those present or represented. The Shareholders on record at the date of the meeting are entitled to vote or give provies.

assbould arrive at the Registered Office of the Company not later than twenty-four hours The present notice and a form of proxy have been sent to all shareholders on record at fore the Meeting.

In order to attend the meeting, the owners of beater shares are required to deposit their shares not less than five clear days before the date of the meeting at the Registered Office. Proxy forms are available upon request at the Registered Office of the Company. By order of the Board of Direc

.

# First nine months 1994

The results of ING Group for the first nine months of 1994 show a gratifying increase. Net profit rose by 18.7% to NLG 1,646 million (first nine months 1993: NLG 1,387 million).

Net profit per ordinary share went up by 13.5% to NLG 6.29.

Both the insurance and the banking operations made positive contributions to the increased results. Total assets increased by 4.1% to NLG 353.4 billion in the first nine months of 1994.

After the strong increase by NLG 5.9 billion in 1993, shareholders equity rose slightly from NLG 21.5 billion at the end of December 1993 to NLG 21.6 billion at the end of September 1994.

The Executive Board expects an increase in profit per share for the whole of 1994.

Amounts in Dutch guilders	First nine months 1994	First nine months	% Change
(millions)			
Result before taxation	2,354	1.916	+ 22.9
Net profit	1,646	1,387	+ 18.7
(guilders)			
Net profit per share	6.29	5.54	+ 13.5
Maria.	30 September	31 December	
	1994	1993	_
(billions);			
Total assets	353.4	339.4	+ 4.1
Investments	137.3	132.1	+ 3.9
Bank lending:	148.I	144.9	+ 2.2
Group capital base	22.7	22.6	+ 0.4
(guilders)			
Shareholdere equity per share	79,29	82.45	- 3.8



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#### SKIES: Airlines' Balancing Act

Continued from Page 9

France in direct competition with Air France. British Airways has shares in regional subsidiaries in France

is effect. Analysts said that given the current overcapacity in Europe, state-owned carriers will have no choice but to cut costs and staff heavily as deregulation ap-

But analysts said that even these reductions still may not be enough to absorb overcapacity in the European market. British Airways, which reduced staff to about 30,000 from more than 50,000, is one of the few carriers to reap the benefits of a determined cost-cutting pro-

gram over many years. The bright spot on the hori- steady recovery.

zon is increasing passenger traffic and revenue as Europe moves out of recession.

After a cost-paring program, Lufthansa announced a return and Germany, and it is likely to to profitability for the first six expand into fully owned sub-sidiaries once full deregulation in onths of this year, and Air France says it expects to be profitable in 1995. But most of the state carriers are carrying a heavy debt load — about 36 billion francs (\$6.5 billion) for Air France and an estimated 400 billion pesetas in the case of

> The improved financial situation in Europe reflects the global picture, where airlines stand likely to earn \$1 billion on scheduled international routes after piling up losses of \$15.6 billion in four straight years of losses. But \$1 billion still is less is considered insufficient for

than 1 percent of earnings and

# Credito Italiano in Position to Claim Romagnolo

SpA, which would create the judgment." second-largest bank in Italy.

Credito Romagnolo's board accepted a sweetened deal from Credito Italiano, which will cost Italiano nearly 3 trillion lire (\$1.9 billion). Credito Italiano's to consider it Monday. improved offer raised the price per share to 20,000 lire from an its assent by dropping plans to original 19,000 lire and commitmerge with a local savings ted it to buy up to 65 percent of bank, Cassa di Risparmio di Romagnolo's stock, up from 48.2 percent.

"The important thing is that it was accepted by the entire Credito Italiano said it would board," a Credito Italiano stand by guarantees on Romag-

offer." Romagnolo's board described the new offer as "more

in line with the interests of the itself to changing Romagnolo's mitment which Credito has de-MILAN — Credito Italiano Romagnolo group and its statutes requiring the approval clared it wants to make with SpA looks set to emerge victori- shareholders than that an- of 80 percent of shareholders regard to autonomy," was a furous from a protracted battle for nounced on Oct. 26 and as such for any merger attempted becontrol of Credito Romagnolo likely to receive a different fore the end of 1998.

The protracted battle for nounced on Oct. 26 and as such for any merger attempted bether factor in making the bid more acceptable.

> Italiano now awaits approval dividend payouts would not be for the move, which would be less than 55 percent of profits the largest-ever bank takeover until 1997 and said minority on the Milan bourse, from the shareholders will have repre-Bank of Italy, which is expected sentation on the board.

Romagnolo further indicated plan as a so-called poison pill to fend off Italiano's initial offer.

spokesman said. "It is a friendly nolo's autonomy made last week in a first attempt to soften up its reluctant bid target. Credito Italiano committed

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Italiano also guaranteed that

Romagnolo said, "the com-

A schedule of this week's economic and financial events, complied for the Interna-tional Herald Tribune by Bloomberg Busi-

• Bec. S. Talpel. Cabinet to report con-sumer price Index for November.

Sydney Bernie Freser, governor of the Reserve Bank of Australia, to address in-

age weekly earnings for the quarter to Aug. 31.

Tokyo Automobile Importers Associa-tion releases November vehicle Imports.

• Dec. 7 Tokyo Federation of Bankers

Association releases November deposits and loans at Japan's 11 city banks.

Veilington Producer price Index for http://optember.quarter.

Taipel Ministry of Finance to report ex-

Dhaite, Bangladesh Country's 1.7 mil-ilon government employees go on strike to demand salary increase.

Bec. 8 Sydney Employment agures for November. Forecast: jobless rate to rise to 9.2 percent. Retail sales figures for October. Forecast: 2.8 percent gain.

for September quarter.

etoso-Methorene Institute consumer confidence index for December.
Wellington New Zesland terms of trade

e Dec. 9 Tokyo Blank of Japan re-leases its quarterly "tankan" survey of business sentiment.

e Dec. 10 Tokyo Non-Communist

int conference on potential of Asia-

Asia-Pacific

vestment conference or Pacific capital markets.

# bank, Cassa di Risparmio di Bologna. Romagnolo made the The New York Times Co. Credito Italiano's initial offer. Credito Italiano said it would tand by guarantees on Romag-

Credito Italiano stands to

benefit from the deal, analysts

said, because it will gain the

opportunity to extend its activi-

ties in the small- and medium-

sized business sector and give it

a strong client base in the

wealthy Bologna area of Italy.

NEW YORK - The New York Times Co. regained significant control over electronic rights to the contents of its flagship newspaper through an agreement with the British-Dutch publishing giant Reed Elsevier PLC.

The 10-year accord, which stems from Reed Elsevier's acquisition of Mead Data Central and the Lexis/Nexis on-line computer service, frees Times Co. to use the contents of the daily newspaper in a variety of new types of electronic services for consumers.

Lexis/Nexis will continue to have electronic rights to distribute articles from The New York Times, but eventually much of its exclusivity will lapse. Reed Elsevier will then retain exclusive rights only in electronic services distributed to professionals in the field of law.

The Week Ahead: World Economic Calendar, Dec. 5 - 9

on fixed income investme

housing starts.

Bec. 5 Brusens EU Finance Minieter meet to discuss budget deficts and standardization of EU withholding laws

Lundon, November MO, Forecast: down 0.1 percent in month, up 6.9 percent in year. October linel money data. October hausting additional money data.

Expected any time this week Prankfurt. October manufacturing or-ders. Forecast: down 1.0 percent. Novem-ber final cost of living. October final MS.

October retail sales, Forecast: down 0,8 percent. Western German October retail sales. Forecast: up 0.5 percent.

Rosse October hourly wages. Forecast

up 2.8 percent. Zurich Third-quarter GDP SA. Forecast.

up 1.7 percent in year. November unem-ployment rate. Forecast: 4.4 percent. Amsterdam October PPI. October retail

Europe

# SHORT COVER

S&P May Cut County's Debt Rating

NEW YORK (Combined Dispatches) — In response to potential losses of \$1.5 billion in the investment fund of Orange County California, the credit-rating concern Standard & Poor's Corp. said it might lower the county's debt rating.

The county's fund is facing the loss because of an aggressive bu risky investment strategy that included heavy borrowing and the use of derivatives, which are financial instruments that derivatives. their prices from those of other securities or commodities.

 The Securities and Exchange Commission plans to pursu civil charges against Bankers Trust New York Corp. in connection with its sale of derivatives to some corporate clients, people familiar with the situation said.

#### Kazarian Renews Quest for Borden

COLUMBUS, Ohio (Bloomberg) — Paul Kazarian has asked to meet with the board of Borden Inc. on Tuesday to discus "modifications" of his bid for a minority stake in the food and dairy company.

In a letter to Frank Tasco, chairman of the company, Mr Kazarian asked that Borden bring as many directors as possible together with major shareholders and Wall Street analysis to meeting after the market closes Tuesday.

Mr. Kazarian offered last week to pay \$430 million, or \$17 share, for 20 percent of Borden's stock. The offer rivals a pending \$ billion tender by Kohlberg, Kravis, Roberts & Co. for all o Borden's shares. That offer, set to expire Dec. 20, would sware \$14.25 of shares in RJR Nabisco Holdings Corp. for each Borde. share. Borden's shares closed Friday unchanged at \$13.875.

#### Peugeot Signs Deal in South Africa

JOHANNESBURG (AFP) - PSA Peugeot Citroen SA's Peu geot division said Sunday it had signed a distribution agreement with McCarthy Motor Holdings that would return the French carmaker to South Africa after nearly a decade.

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e Dec. 7 Lendon October manufac-turing output. Forecast: up 0.3 percent in month, up 5.3 percent in year. October industrial production. Forecast: up 0.3 Ottawa Monthly international reserves report. Building permits report for Octo-Sao Paulo Institute for Economic Re-

rcent. russets NATO delense ministers meet Dec. 8 Copenhagen October industrial production and Orders. ennounces inflation for November, Indus-Frankfurt Bundesbank central council meeting. West German third-quarter GDP. Forecast up 1.0 percent in quarter. triel production for October and the rate of unemployment in the three months to up 2-2 percent in year, West German No

veniber unemployment rate. Forecast: down 13,000 jobs. East German November unemployment rate. Forecast No General Meeting to lay final groundwork for Works Trade Organization, planned to take over from GATT in January. • Dec. 9 Amsterdam November con-

nonth, up 2.8 percent in year.

Essen, Germany EU leaders gather for six-month European council summit strough Dec. 10. Agends includes admis-sion of East Buropean countries to EU and ways of tackling unempto

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the end of October. • Dec. 6 Weshington October housing comple New York Johnson Redbook research

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2 million 35-day central bank books, or BBCs. Outlook: Yield could rise from 5.38

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• Sea. 7 Washington The Labor Department reports revised productivity and costs for the third quarter. The Federal Reserve reports October consume rest Reserve reports October consumer cred-it. The Federal Reserve Board releases its so-cated beige book report on current accommic conditions. Alen Greenspan, the Federal Reserve Board chairman, tee-

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Carmone Cabinet meeting to discuss model contracts for joint ventures in the oil industry.

• Bec. 8 Washington Commerce De-

partment reports October wholesia trade. The Labor Department reports initial weekly state unamployment compensations. New Yerk: The American Forest and Pa-per Association releases the results of its capacity expension survey for 1994-47. Obtains: Monthly housing starts report. Mesdoo City Inegi unveils Mexico's in-dustrial production growth rate for Sep-tember. Mexico's Costral, Benk an tember, Mexico's Central Bank an nounces the infiction rate for Hovember. Forecast: rise between 0.4 percent and

0.5 percent.

• Dec. 9 Washington The Federal Reserve releases its weekly report of assets and fashifities of U.S. commercial banks.

Ottown New motor vehicle sales report for October. New housing price industrial. littami President Bill Clinton atlends Summit of the Americas through Dec. 10.

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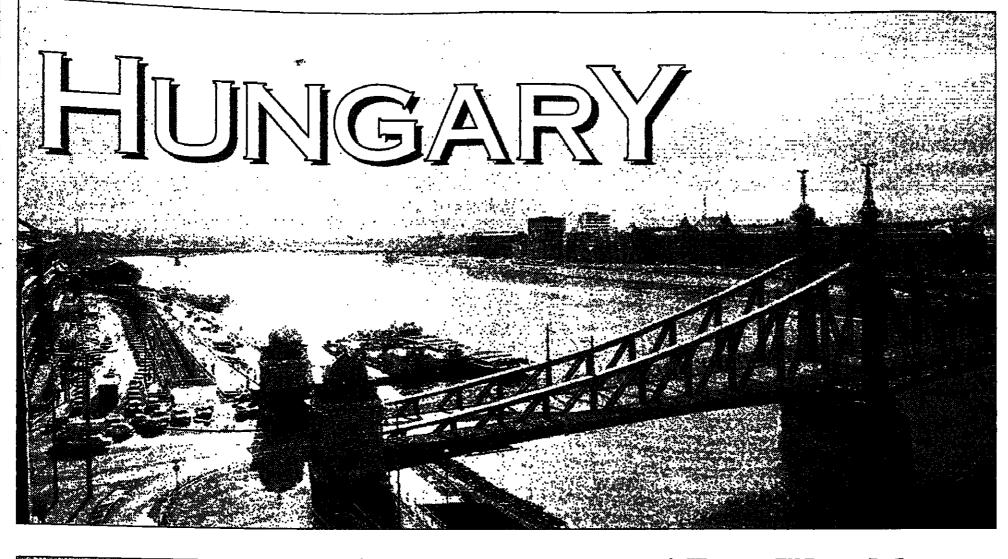
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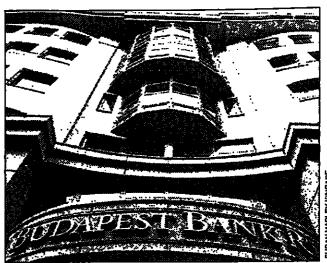
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The outlook is sunny in Buda and Pest on either side of the Danube. Hungary's Socialist-led government, which came to power last July, is successfully reducing unemployment and inflation and producing growth, thanks to its consistent economic realism.



# FACTS AND FIGURES

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#### 'TURNAROUND YEAR' ENDS WITH MODEST GROWTH

Hungary's new Socialist-led government offers its European neighbors a lesson in adopting hard measures to set its economy on the right course.

Fifty-two national delegather first "turnaround year" is sing 10 percent rise in Huntions and 1,000 journalists nearing its end. Over the last gary's 1994 industrial output will attend the summit of the Conference on Security and Cooperation in Europe (CSCE) in Budapest in early December. The host country will offer these visitors an instructive lesson on how adopting hard measures can pay off in fundamental

thought that consistency was going to be easy," says Laszlo Pal, Hungary's minister of industry and trade. "But we have always known that adhering to certain policy guidelines, no matter how difficult, was the only way to effect a true transformation of Hungary's econo-

In Hungary, as in much of Central and Eastern Europe,

11 months, the fruits of this consistency have been increasingly manifesting themselves in the country's

current economic indicators. In early 1994, Hungary firmly (if modestly) entered the growth column, and the year's expansion in GDP is now forecast at somewhere "No one ever said or between I percent and 2 percent, in line with regional averages. Germany's Manager Magazine is predicting 3 percent to 4 percent GDP growth in Hungary in 1995.

> Industry leads the way In a real switch, the country's industrial sector, until recently a problem child, is now serving as the econo-

> my's locomotive. German

experts have forecast a surg-

- a regional best. The Hungarians themselves are more cautious, putting the figure at about 8 percent. Gratifyingly, the highest rates of growth are being recorded in such advanced industrial

sectors as telecommunica-

tions (up 55 percent), elec-

31 percent) and computers and office machines (up 21

Several Central and Eastern European countries have managed the difficult and painful job of reorienting their export flows from east to west. Hungary has ac-complished this better than

tronics-based equipment (up most. Led by a 17 percent jump in international sales of industrial products, ex-ports to the EU are running 26 percent higher in 1994. Trade with the EU now accounts for a solid 50 percent of the country's international business, which itself is up nearly 9 percent in 1994, heiping to diminish the

country's large trade deficit. "An economic transformation never proceeds evenly on all fronts," says Peter Akos Bod, president of the Hungarian National Bank, and a glance at the country's mixed bag of results shows what he means. Solid results

Continued on page 15

Budapest will come almost to a halt on Dec. 5 and 6, when the summit meeting of the Conference on Security and Cooperation in Europe (CSCE) takes place. This is a 53member European security organization encompassing most European states as well as the United States and Canada, It has no real power and no

military force at its command, but part of its importance lies in the fact that it is the only major security orga-nization of which Russia is a mem-

In addition to delegations from 52 member countries (the former Yugoslavia, although a member, is not taking part in the conference), another

50 observer nations are expected. Delegations from member states have been in Budapest preparing for the summit since Oct. 10.

Traffic will be heavy in Budapest as each delegation will have a motorcade to take it to and from the meeting. The city's mayor, Gabor Demszky, has declared a school holiday.



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- In Europe, nations are preparing for a wellconsidered transfer of part of their sovereignty in economics, politics, legislation and security. In contrast, four of Hungary's neighbors have established over the past two or three years their independent currencies and national banks, i.e. the instruments and, perhaps, symbols of economic sovereignty.
- National versus supranational frameworks, history versus the present: seemingly unprecedented challenges. Or are they indeed? Some 70 years ago, new station states and (as we now know) states span with a finite life emerged out of the collapse following World War I. It was 70 years ago that the Central Bank of the newly sovereign Hungarian state, one of the key institutions of the Hungarian economic stabilization of that era, was established. It was a period when the central banks of a number of countries in the region central banks of a number of countries in the region were established or reestablished. It is no accident that the dissolution of the Austro-Hungarian monarchy, the coming into being of the independent Hungarian, Czech, Polish, Austrian, and other financial systems, the analysis of hyperinflation and attempts at stabilization have been so high on the agenda of economic historians.

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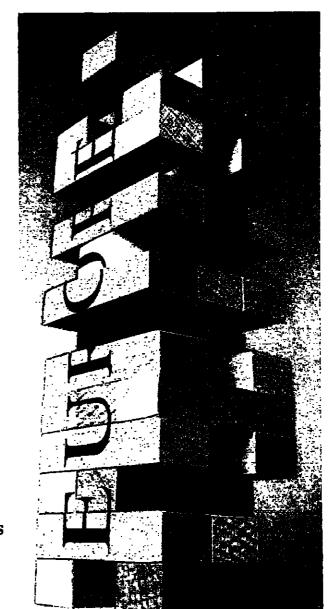
- Today's decision-makers, however, cannot go back in time and cannot arbitrarily choose the back in time and cannot arbitrarily choose the institutional frameworks for decisions. We have to make our decisions here and now. Trends, new ideas and changing conditions affecting the banking system and, within it, the Central Bank, constitute challenges for all of those responsible for rebuilding the financial sector in the transition countries of Central and Eastern Europe.
- In the four decades following the nationalization of banks and the dismantling of the two-tier banking system in 1948, the National Bank of Hungary, like all other institutions of the economy, was subject to strong state and party control. The two-tier banking system was reestablished in 1987, and gradually the Central Bank was diverted from its commercial banking functions. The change of the political banking functions. The change of the political system in 1990 made it possible to accelerate the move to a market economy, which included establishing the role of the Central Bank according to the standards of developed economies.
- Under the act dealing with the National Bank of Hungary enacted in 1991, the bank is granted autonomy in formulating and implementing monetary policy, and is required to report to parliament. Its president and deputy presidents are appointed by the head of state for fixed terms of six years and three years president and deputy presidents are appointed by the head of state for fixed terms of six years and three years respectively. Strict legal stipulations govern the role of the bank in financing the deficit of the central budget: the bank in mancing the deficit or the central budget: direct financing cannot exceed 3 percent of the planned annual revenue of the budget in any one year.

  Additional demands for budget financing have to be satisfied from the money market, by issuing government securities. government securities.

- · The National Bank of Hungary is the sovereign borrower for the country, with a traditionally impeccable debt record. Despite the challenges brought by the transition and the restructuring of the economy, smooth external financing was ensured for the country's economy by tapping international capital markets. The National Bank has been an issuer of bonds in German, Japanese, Austrian, British and U.S. markets, maintaining a safe stock of reserves of foreign exchange, which now amounts to about seven months worth of imports.
- The Hungarian government has been pursuing a liberal licensing policy toward those applying for banking licenses over the past years. Currently there are over 40 banks operating in the country, half of them fully or partly owned by non-residents. The banking law enacted in 1991 in parallel with the National Bank act provides an up-to-date legal environment for banking activities. The basic markets have been created: the interbank money market, the primary and secondary securities markets, the interbank foreign exchange market (spots and futures) and the commodity exchanges.
- The National Bank of Hungary is still the foreign exchange authority, although foreign exchange management has been widely liberalized and decentralized. Commercial banks are free to borrow from abroad, while corpo-rations may do so upon obtaining authorization from the Central Bank, which has been liberally granted.
- During these years of transition, inflation was kept under control in Hungary, partly as a result of an appropriate monetary policy. The increase in the consumer price index reached its peak at 35 percent in 1991, and inflation has moderated since then while remaining in the range of 20-25 percent. Bringing inflation down remains a top priority for the National Bank in the years ahead, as the transition problems are slow in being solved. Still, confidence by foreign investors is clearly indicated by the dynamic inflow of foreign capital.
- The lessons from the 70-year history of the National Bank reinforce a strong commitment to stictly adhere to a sound monetary policy in order to foster a stable environment conducive to sustained economic growth. The challenges of steering the country toward a modern market economy and of meeting the requirements of a modern financial sector are indeed formidable. We are well aware that for us to join the Euro-pean Union we cannot duck these challenges. We are determined to put Hungary firmly on the road to Europe, and in this endeavor we are counting on the support of the community of the developed countries, as we are convinced that the success of this transition will bring fruits for them as

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OUR HERITAGE IS THE URGE TO CREATE

# HARD ECONOMIC BATTLES HAVE BEEN FOUGHT, SAYS MINISTER

Laszlo Pal has been Hungary's minister of industry and trade since July 1994. Born in 1942, Mr. Pal has degrees in energy engineering and industrial management, and has worked as a development engineer in various research and public-sector bodies. In 1990, he was elected to Hungary's parliament. In the following interview, he explains the foreign observers. government's economic priorities.

Many international observers waver between optimism and pessimism when evaluating the performance of your country's economy. What is your government's assessment of the economic outlook for Hungary?

First and foremost, there's been no wavering from the range of new technologies. Hungarian end. Both this To fully activate these as-

tion clearly from the outset, and there have been no wild swings in either evaluation or actions. This fundamental consensus as to the state of Hungary's economy is behind the continuity and consistency shown in our economic policies and repeatedly remarked upon by many

There's also been a common perception of what Hungary's underlying assets are and how to parlay them into solid economic growth. The assets are well-known: decades of experience in conducting international business, high levels of work-force education and expertise, capable entrepreneurs and executives, and a

it and the world's business community, opening its economy to the international market. Each government has played a role in formu-

huge debt load accumulated over the previous 40 years. All three have had to configure a fully developed system of social support to fit into the limits imposed by budget realities. These have been hard, not entirely successful battles.

There is also a consensus as to what the current situation of the economy is. Thanks to the implementation of a series of hard austerity measures, real gains and much more toughhave been achieved, includ-

of unemployment and inflation. The trade and budget deficits are still too high, but have been showing signs of substantial improvement

lating the structures furthering this openness.

All three governments
have had to deal with the have had to deal with the tween your government and its predecessors. What are the areas of difference and disagreement?

There have been quite a few changes since this govemment took office on July 15. Many of them have surprised outside observers, including our government's resolute implementing of a already showing solid re-"no frills" approach to the budget. We've proven ourselves to be fiscal realists. minded in terms of budget-

ous government had a laissez-faire approach to boosting exports, and that was try's persisting problems in probably one cause of the last two years' drop in exlast two years' drop in ex-

This government has taken a hands-on role. By way of an example, we've been reaching out to neighbors in Central and Eastern Europe, formulating new trade ties and working agreements. In the Comecon era, these countries had been our major trading partners. Today, they are promising markets for our high-quality goods and services. Our efforts are

As the above example shows, a consistency in approach and perception does not mean an unqualified en-

government and its prede-cessors have seen the situa-tion placed from the cutest.

Sets, Hungary has knocked ing a year of overall growth and declines in both the rates if I may say so, the previously enacted mea-it and the world's huriness is atsures. This government is attacking many of the coun-

> stance, we have worked with the National Bank of Hungary to step up collection procedures from countries owing money to the Hungarians, and we are making full use of the country's positive cash flow in managing debtrelated expenditure.

> Many of Hungary's recent problems have arisen from events outside its control and outside the country. What effect will the ongoing improvement in the world economy have on your country over the next few months?

If coupled with further



Hungary and its economy into the EU, this upswing could produce several more percentage points of GDP and industrial growth. This "post-recession bonus" would have a direct impact on how normal Hungarians and that description definitely applies to members of this government - live and

We in the government are all normal Hungarians. We do not live in palaces far re-

progress toward integrating moved from the common folk. We also wonder how we are going to make ends meet every month when the price of heat or water goes up, how our retired parents are going to survive on their ever-smaller pensions.

Over the last few years. we've all made some very necessary, very hard sacrifices in the interest of long-term economic progress. If would be gratifying to see, these sacrifices pay off. Interview by T.S.

#### **AIM IS INTEGRATION** INTO EU AND NATO

Good relations with neighbors seen as essential.

Socialist prime minister. Gyula Horn, took office this summer, he announced, "I am the prime minister of 10.5 million Hungarians."

He was contradicting a statement by a former prime minister that Budapest could provide leadership to 15 million Hungarians, including the several million ethnic Hungarians living outside Hungary's borders in Romania, Slovakia, Serbia and Ukraine. This has been a thorny issue in Hungarian foreign policy.

Large parts of Hungary were awarded to neighboring countries as the Hapsburg empire was disbanded at the end of World War I, resulting in large ethnic minorities living in states with a different national majority. Concern for the rights of those minorities and mutual suspicion has at times soured relations between

But the new government

When Hungary's new be achieved on the basis of stable international relations in the region.

"If we do not normalize our relations with our neighbors, I do not think Hungary would be welcomed as a partner by the European Union or NATO," says Hungary's foreign minister,

#### Bilateral treaties

Mr. Kovacs is referring to the two major priorities for Hungary's foreign policy. The first is integration into the Euro-Atlantic community and accession to the European Union and NATO. The second is to diffuse the tension that has accumulated with Hungary's neighbors.

Hungary and its neighbors. rights of ethnic minorities.

Laszlo Kovacs.

The new government is working energetically to-ward concluding bilateral treaties with Slovakia and Romania that would confirm the permanence of present borders and guarantee the

The issue of minorities is Joint exercises past differences. Much-de- region, as demonstrated by West, they argue, can only gary's southern border be-more on strategic considera-ing exercises.

#### **BEST WINE**

Snuggled into the picturesque Zemplen hills in northeastern Hungary, the vineyards of the Tokai region produce wines (also known as Tokay) that are the envy of winemakers the

The Tokai Aszu dessert wine is produced by adding grapes affected by nable not to partially fermented wine. The pungent sweetness of the grapes gives Tokai Aszu a distinctive flavor that has remained unique, despite would-

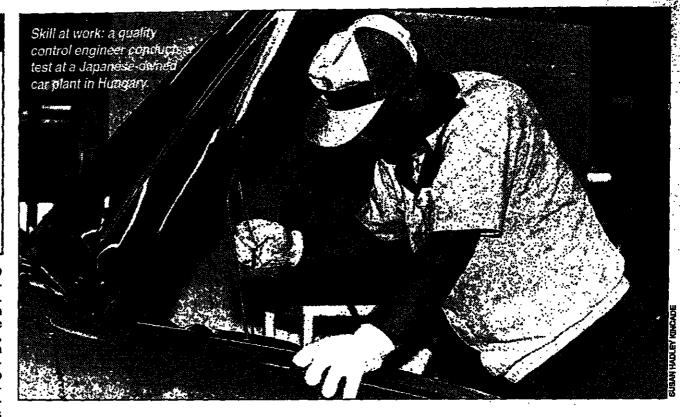
The state winemaking collective in Tokai has been broken up, and foreign investors are now rushing into Tokaj. Wine-makers are promoting wine tourism by offering tours of the ancient wine cellars of Tokaj and tastings of the best vin-

tween the successor states of tions on the part of NATO Yugoslavia. With borders adjoining both Serbia and Croatia, as well as Ukraine and Austria. Hungary walks a diplomatic tightrope at

"Hungary is located between East and West geo-graphically," says Mr. Kovacs. "Just for this reason, we have to have good rela-tions with both East and West." Demonstrating its capacity to act as a bridge, Budapest is hosting the summit meeting this month of the Conference of Security and Cooperation in Europe.

member states than on Hungary's state of preparedness. But Admiral William Owens, vice chairman of the U.S. joint chiefs of staff, said on a visit to Budapest in October that Hungary appeared very dedicated to participation in the Partnership for Peace program proposed by the United States and seemed to be following the right pattern for eventual full NATO membership.

In September, a brigade of the British Coldstream Guards arrived in Hungary for three weeks of joint military exercises with some of Hungary's elite troops, inis determined to overcome one of the most crucial in the Hungary is waiting for cluding a new Hungarian progress in its accession to brigade set up to participate sired integration into the the ongoing war on Hun- NATO, which depends in future NATO peacekeep-



#### A WELCOME FOR FOREIGN INVESTORS

Major international companies have found advantages in a skilled work force and tax concessions.

Whether they make light Hungary until the Mag-bulbs, cars or cookies, many yarcom consortium of 100 percent tax bolidays for international manufacturing Ameritech and Deutsche five years (with all profits cent of its output, and Hungary until the Mag-through difficult times. Hungary until the Mag-through difficult times. Hungary until the Mag-international manufacturing Ameritech and Deutsche five years (with all profits cent of its output, and Hungary until the Mag-through difficult times. Hungary until the Mag-international manufacturing Ameritech and Deutsche five years (with all profits central position with Hungary since 1990. Hungary was the first former communist country in Eastern Europe to establish the legal framework necessary for a free-market system. This created confidence among major international companies, which have now poured more than \$7 billion into the country, making Hungary the receipient of half of all the foreign investment that has come into Eastern Europe.

The giant U.S. corporation General Electric led the way Toward the end of 1989, GE began negotiating for the purchase of Tungsram, the state-owned electric light bulb manufacturer. GE then set about restructuring the company, investing heavily in a new plant, improving efficiency through intensive staff training and, inevitably, cutting jobs.

Since 1990, GE has invested over \$600 million in Tungsram. (This was the largest foreign investment in

companies have moved into Bundespost Telekom took a reinvested in the country), gary's central position with-30.2 percent stake in Matav, the Hungarian Telephone Company.) Tungsram's work force shrank from over 18,000 to just 9,500, but the company started to recruit about 1,000 new workers in 1994. GE closed two plants in England and one in Austria this year and shifted production to Hungary. After four hard years, Tungsram has turned serious losses into a small profit, and the 1994 figures are expected to show further improvements.

> Car manufacturing The automotive industry has moved into Hungary in

force. Previously, Hungary was known for its heavy engineering, producing trucks and coaches. Now Ford, Suzuki, General Motors and, most recently, Audi have all set up manufacturing operations, taking advantage of the availability of skilled workers.

These early birds won large tax concessions from and a 60 percent tax break for a further five years. Hunguard is a division of

Michigan-based Guardian Industries. In 1988, this glass manufacturer set up a joint venture with the Hungarian Glass Works in Oroshaza, southern Hungary. The plant uses float glass technology to make precision panes for architectural use, mirrors, picture frames and the automotive industry. Altogether, Guardian has injected \$70 million in capital into the plant, buying out the joint venture partner.

"There is very good potential in Hungary," says Rolf Stub, Hunguard's fi-nance director, "With a good capital base, there is good opportunity to grow a suc-cessful business."

Capital needed

Mr. Stub points out that the high cost of borrowing means high capitalization is out of the country," says Mr. vital to carry a company Friedmann. Lucy Hooker

in Europe and good transport links have helped cut costs and improve compentiveness against other European glass makers.

Beginning in 1995, companies will have a further incentive to set up in Hungary. The corporate tax rate in Hungary will be one of the lowest in Europe. The tax law has not actually reached the statute books, but corporation tax is due to be halved from its present 36 percent rate to 18 percent. There will be a 25 percent withholding tax on profits that are repa-

triated. Andre Friedmann, tax partner at KPMG in Budapest, points out that the large number of tax treaties Hungary has with other countries often reduces this tax. "Companies based in, say, the U.K., that own more than 25 percent of a company in Hungary will pay just 5 percent on profits taken

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In 1994, exports accounted for fully 50% of MOFA's 1.200-million-forint in sales. It supplies its goods to almost every country in Europe, from Scandinavia to Cyprus; big volumes are sold to the Italian, German and Austrian markets, as well as to Croatia, Slovenia and Greece.

Recently, the company expanded sales to the Near-East, and it has started transport to Lebanon as well. The company has a well-developed network of representatives in both the Hungarian and export markets. MOFA is a well-established company, with a new management and a commercial structure.

Over its almost four decades of operation, the company has made its "MODEKOR", "MOLAKK" and other trade names synonymous with product quality. In early 1994, the company was privatized. Since then, it has started to produce such new

good for the inside panelling of houses, flats and offices. The long-term plans of the company include an OSB production plant; based on it there is also a planned investment in a plant producing prefabricated houses. This product has been

products as wall coverings finished with different designs. These elements are especially

highly appreciated in the U.S.A. for a long time, and it is also catching on in Europe. Prefabricated houses, as long as they are affordable, can offer a good way to alleviate the Hungarian housing shortage. On the other hand, once the Southern Slav war is over, they can

help rebuild these countries. In addition to the company's reputation, its track record of successful operation (sales have risen 12% over last year) and its exciting range of products, MOFA has a number of other important assets. It is located in Mohács, a town on the Danube, which has its own port. Production facilities are in a good condition, and all necessary infrastructure is provided

and can be further developed. MOFA is seeking investors with the capital required to finance the expansion of the company's international activities, and to contribute to the realization of the plans for new developments (OSB plant, prefabricated houses.)

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# THE WHOLE WORLD WATCHES As Telephones Go Private

The telecommunications sector has been a major beneficiary of foreign investment.

The privatization of an extensive modernization program. Just over 250,000 phone company, in December 1993 was the largest privatization in Eastern Europe and attracted global interest. From September 1993, when the tender was launched, until the announcement of the winning consortium on December 19, 1993, almost every telecom company in the world had an eye on Hungary. If

they were not participating, they were interested in

which of their rivals would

Since then, the new joint

venture partners - the U.S.

Ameritech, the German state

telecoms provider Deutsche

Bundespost Telekom and

eventually win.

program. Just over 250,000 new subscribers will have been connected to their local exchange by the end of 1994, a growth rate of 19.3 percent, very near the target stipulated in the concession contracts. Matav will then have 1,545,000 direct ex-

change lines.
This level of system devel-

It is not just the terrestrial telephone system that is improving. Hungary has two GSM mobile phone operators as well as an analogue 450 MHz provider. The older technology for mobile phones came to Hungary when U.S. West and Matav established Westel Radiotelephone in 1990. It This level of system development does not come cheap. Matav will have spent diotete phone in 1990. It won over 50,000 sub-scribers. In early 1994, the competition really began to

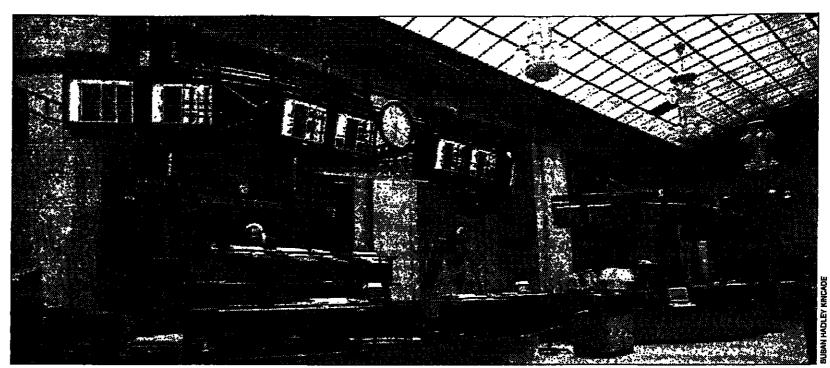
صكذا من الاعل

A portable phone is sold in Budapest, where the

competition among mobile phone operators has

become intense.

\$645 million on upgrading bite, with the two 900 MHz GSM providers, Pannon GSM and Westel 900, battling for market share. Neichief technical officer. As a ther company has released data on the number of its customers, but both say demand is well above their Budapest will have ISDN original estimates.



The Budapest Stock Exchange, where business is expected to double in the next year.

#### CAPITALISM'S RETURN MEANS A BOOM IN STOCKS

The number of shares offered - and the quality of the companies involved - has grown dramatically in the past four years.

The Budapest Stock Exchange was the first bourse to be launched in Eastern Europe after the Berlin Wall collapsed. June 1994 marked the fourth year of operation for the exchange. While remaining smaller than other Central European exchanges, it is expanding slowly and exhibiting more stability as it matures. Today, 40 shares are listed, al-most double the 1992 num-

> Up to the early part of 1993, trading in Fotex, a diversified retail group, accounted for about 90 percent of all equity transactions on the exchange. Turnover in government securities comprised between 80 percent and 90 percent of total turnover. This is changing. Now, stock transactions make up 30 percent of activity on the exchange.

In 1993 and early 1994, the listing of several major shares dramatically improved and stimulated the er listings included some un-

foreign investors. In 1993, total turnover on the exchange rose by 550 percent, up to 195.69 billion forints (\$1.78 billion) from 33.67 billion forints in 1992. By the end of this year, turnover will have passed the 200 billion forints mark.

Lajos Bokros, the chairman of the Budapest Stock Exchange, believes this progress will continue. "The capitalization and turnover of the BSE will increase very rapidly," he says. "It will double the size of capitalization next year."

About 50 brokers are licensed to operate on the exchange. The majority have the capital requirement of 50 million forints that allows them to underwrite issues.

Foreign interest The quality of new shares coming to the stock market has boosted the image of the exchange. Some of the earli-

interest of both domestic and reconstructed companies. boast quality companies Many did not trade for months on end. With the advent of shares like Danubius come part of the privatiza-Hotels, Primagaz, Csemege tion process. Of the 40 Julius Meinl and Zwack in 1993 and a raft of further

listings in 1994 such as Inter-Europa Bank, Egis, Graboplast, Sopron Sorgyar, Globus, Pannonplast and of turnover coming from Pharmavit, the BSE can non-Hungarian purchasers.

with strong management. The exchange has also be-

shares on the exchange in September 1994, 19 had been privatized. Foreign investors have driven the share market up, with 80 percent

The prospects look even better. "We expect to see some big issues like public utilities, the electricity com-pany, the gas distribution companies and Matav," says Mr. Bokros.

Other shares likely to be listed include those from the energy sector, which the government intends to priva-

#### **BEST RESTAURANT**

its technology and services

in 1994 alone, according to

Ulrich Schaumann, Maray's

result, Hungary will have op-

tical-fiber links with all its

neighboring countries, and

During 40 years of communism, Hungary's con. Beef from the long-homed cattle of the once-famous cuisine lost much of its flair. Robert Cej-Bert is changing that. After extensive research in the Far East, he produced a new Hungarian cuisine, which he is introduc-ing in Budapest's Fortuna restaurant.

Matav - have embarked on services this year.

"Here in the Fortuna, we are trying to re-build Hungarian cuisine by taking into ac-

count its Asian roots," he says.
Fogash fish from Lake Balaton is served on a bed of saverkraut under a fine layer of baGreat Plain is served in a sour cream sauce

"In old Hungarian food, harmony had to be achieved between five basic tastes -sweet, sour, bitter, salty and spicy - no one taste could dominate," says Mr. Cej-Bert. In January, the Fortuna is going to offer food literally fit for a king - for a

royal gala in Sweden.

#### PORTFOLIOS LEAD THE WAY

More and more capital is flowing into Hungary in the form of portfolio investment. Estimates for this form of investment in 1994 vary between \$250 million and \$400 million.

'Hungary had been early in the process

of opening the economy to market forces and in some sectors, such as food and pharmaceuticals," says Glen Wellman of the Central European Growth Fund of Credit Suisse First Boston, which has \$200 million under management. "The Hungarian market has been attractive be-

cause good-quality companies have been brought to the market at realistic prices." Speaking just after a visit to Budapest,

Rory Landman, a director of Baring's Investment Management in London, says: "We like the opportunities on the micro level." But Mr. Landman says the government has tough decisions to make about the macroeconomy, such as cutting the budget deficit, reforming social security and raising energy prices. Once this pic-ture has been addressed, more money will flow Hungary's way.

### **'TURNAROUND** YEAR' ENDS WITH MODEST GROWTH

Continued from page 13

have been achieved in reducing unemployment, now down to around 11 percent (a two-year low). Inflation, at 18 percent, is at a fiveyear low, but is still too high. The private sector and its various indicators (number of automobiles, retail outlets, restaurants, hotel beds) continue to grow, with the number of companies up 9 percent over the previous

Also remaining high are the country's budget deficits, external indebtedness, and, on the positive side, the influx of foreign capital into Hungary.

Cardinal policy point
"There is a very direct connection between the phenomena," says Mr. Pal. "To-day's debt load was an unfortunate legacy of the pre-1989 government. Debt service is largely responsible for the current deficit. Nevertheless, all three post-revolution governments have made fulfilling all international financial obligations a cardinal point of policy -

and for a very good reason." He adds: "Our five years of unswerving adherence to international rules of business play have won us the confidence of the world's business community. Ample proof of this confidence is provided by the foreign investment figures.

By the end of October 1994, \$1 billion had been invested by non-Hungarian companies in the country, bringing the cumulative total to \$8 billion and keeping Hungary at the top of the regional charts. Importantly, some 40 percent of that sum has gone directly into manufacturing facilities - investments that are behind the recent spurt in industrial out-

"For me, the great vote of confidence is the fact that the international business community takes Hungary's financial probity for grant-ed," says Mr. Bod. "No one ever questions the ability and willingness of Hungary's public and private sectors to meet their commitments and obligations."

Rise in outlays In office since July 14, the

new left-center government has shown itself to be more "hard-line" than its predecessors, recently announcing a further wave of price hikes and support cuts. Despite this stepping-up of an already severe austerity program, Budapest still has a prosperous, bustling air.

In fact, by informal standards, the city's affluence has reached mainstream West European levels. Modern Western automobiles make up a large percentage of the city's worsening traffic jams. On many main arteries, the number of fastfood franchises has doubled

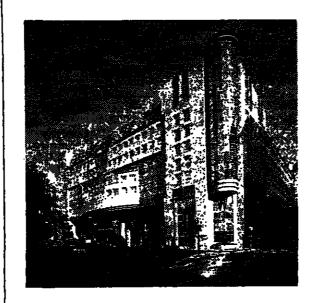
over the past year. The country's "shadow economy" has also grown and was recently estimated to be one-third the size of the official one.

"It has gotten larger," agrees Mr. Pal, "because the volume of 'informal business relationships between the various sectors of the Hungarian economy and with the outside world has been drastically expanding. Also getting larger are our efforts to bring the shadow economy into the official one. As one of many examples, our tax authorities are getting new, powerful computers and are engaging in a major recruitment of staff." Terry Swartzberg

"HUNGARY" was produced in its entirety by the Advertising Department of the Inter-

national Herald Tribune.

WRITERS: Terry Swart: berg is based in Munich. Lucy Hooker and Tim R. Smart are based in Bulapest. PROGRAM DIRECTOR: Bill Mahder.



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International Exposition of Nature, Hunting and Fishing BUDAPEST

#### **WORLD MEETING OF NATURE** PROTECTORS, **HUNTERS AND FISHERMEN**

The idea of the international exposition on hunting and nature conservation Naturexpo '96 was born in Budapest more than two years ago. Following the success of the International Hunting World Exhibition '71, a group of Hungarian businessmen, nature protectors and bankers grew enthusiastic and decided to revive the exposition on commercial basis. The idea was accepted very favorably, and the initiative was welcomed by statesmen, experts and laymen alike. It seemed evident to them that both nature conservation and hunting should be approached from a different point of view within the scope of an international event.

The success of the Budapest International Hunting World Exhibition '71 has been a very frequent topic of conversations among hunters due to its 2.5 million visitors, the overwhelming shows and favorable publicity worldwide. The trophies and the innovations in wildlife conservation exposed in 1971 have received praise: articles and reports came to light in technical

journals in the seventies, marking that with the Budapest International Hunting World Exhibition a kind of change had started. The wide-ranging exhibition was regarded by some as the first sign of reconciliation of the former opponents hunting and nature conservation. Beyond the nostalgia for the Budapest International Hunting World Exhibition, felt even today, responsibility for flora and fauna strengthened on behalf of Hungarian hunters and fishermen. So when Mr. Tamás Hajas, the wellknown businessman, raised the idea of the hunting exposition in 1996, it became evident that the original conception must be supplemented with nature conservation.

First a consortium was formed for the preparation of the International Exposition of Nature, Hunting and Fishing '96 by five companies: OTP National Savings and Commercial Bank Limited, MAVAD -Hungarian Game Management and Trading Company Limited, HUNGEXPO Company Limited for Fairs and Publicity, Pilis Park Foresty Limited and Kettner-Hajas Ltd., and with the participation of Mr. István Egyed, the general manager of the project and head of Naturexpo '96 Ltd., the organizer company. It was formed to organize the event after getting all the necessary permissions. One of the largest Hungarian commercial banks, OTP National Savings and Commercial Bank Limited, is a majority shareholder in Naturexpo '96 Ltd., and this very bank will finance the preparation of the whole project.

Since June 1993, the time of the first press conference, a great many of applications for the exposition have already been registrated. Among the group of supporters are C.I.C. (International Council for Game and Wildlife Conservation), Ministry of Agriculture, the Ministry for Industry and Trade, the Ministry of Nature Protection and Water Treatment of the Republic of Hungary as well as the Hungarian Hunters' National Association. The chief patron of the event will be Mr. Árpád Göncz, President of the Hungarian Republic.

The Naturexpo '96 will be held at the Budapest International Fair Center between August 15th and September 8th, 1996. The basic themes of nature conservation, hunting and fishing will be touched upon: off-road vehicles, the newest results of wildlife conservation and environmentally friendly technologies; thousands of interesting and existing inventions will be shown. International organizations, multinational companies, and different countries will also be represented. There will be scientific conferences, films, book exhibitions and spectacular animal shows. A group of experts, marketing and advertising agencies are at work on the success of the exposition, among them Mr. Sándor Tóth, who was the chief organizer of the International Hunting World Exhibition '71.

There are a few months left until the opening of the International Exposition of Nature, Hunting and Fishing '96. In the meantime newsletters are being published, events and programs arranged and famous foreign guests invited by the leaders of Naturexpo '96 Ltd. with the aim of attracting as many Hungarian and foreign visitors to this special event as possible, and to make people feel the significance of the responsibility of mankind for the environment. The event is intended to be in a pleasant atmosphere, among plenty of interesting things to see.

According to plans, the continuation of the Nature Conservation conference in Rio will take place in Budapest in 1996, as part of Naturexpo. This nature conservation conference and exposition has a particular importance in giving an account of the newest results and future tasks of the scientists and laymen, and the sustainable use of the natural resources, because today the protection of the environment is the duty and personal responsibility of the whole of mankind.

# Soon to be on sale: The finest state-owned properties in Hungary

A new, far-reaching Act on Privatization is expected to greatly increase the number of blue-chip state-owned companies offered for sale in Hungary. Currently under consideration by the country's parliament, the Act is due to take effect early in 1995.

The Act is designed to further the Government of the Republic of Hungary's aim of building an economic system based on private-sector ownership of corporate assets, and of integrating this system into the world's business community. By securing investment from abroad, the Act will also enhance the ability of the country's companies to compete on the international level as these foreign compete will provide their three foreign compete will provide their three foreigns community. tional level, as these foreign companies will provide their Hungarian partners with fresh capital and indispensable marketing and management expertise.

# An accelerating pace of privatization

ownership from the public to the private sector," says Ferenc Bartha. Mr. Bartha has headed the country's privatization efforts since July 1994. His long and distinguished career includes stints as the president of the National Bank of Hungary (the country's central bank) and of the Banque Indosuez's branch operations in Hungary.

The Act will have a sweeping impact. The Government plans to sell 850 companies at present fully or partially owned by the state within three years.

#### Wanted: cash on the barrel

In addition to setting up procedures accelerating the pace of privatization, the new Act places a high priority on facilitating purchases made on a cash basis. There is a simple and substantial reason for establishing this preference: to secure a further source of income for the nation's budget. The 1995 draft budget has pegged projected income from privatization to 150 billion forints (\$1.4 billion) – equivalent to one-third of the amount required to meet the vear's debt payments.

In the first half of 1994, only 27 percent of the 47 billion forints in privatization proceeds realized by the State Property Agency's (the coun-

"The Act is designed to speed up the transfer of try's trustee for companies to be privatized) was paid in cash. For the State Holding Company (the trustee for companies in which the public sector has a long-term interest), the comparable figures were some 45 percent of the agencys 22 billion forints in income.

#### Focus on the energy sector

The Government has scheduled the privatization of Hungary's electricity and natural gas supply sector for the next few months. According to Mr. Bartha, any prevailing uncertainties affecting investment in this area are to be dispelled by the enacting of legislation and other measures. For instance, the Government is preparing to launch a major correction of energy prices. At present, the prices levied are lower than the cost of energy production and transmission.

As Mr. Bartha points out, the setting of energy prices is a highly sensitive matter, as these prices in turn influence production costs and hence the profitability of the country's industria) sector. Energy prices also have a direct impact on standards of living. Due to these factors, the prices will be determined by the political process, which will also set up a comprehensible framework for the setting of charges in the future. This aspect is highly important, as future energy suppliers will have monopolies

in their sectors and kinds of energy. As is the case in Western countries, the state will continue to have a voice in the regulating of future suppliers.

#### Bolstering the banks

By the end of this year, the Government intends to have formulated a plan of privatization for the country's banks. As of this writing, there is only one state-funded bank in which non-Hungarian investors hold a significant stake: the Hungarian Foreign Trade Bank (MKB). in which Bayerische Landesbank (Munich. Germany) and the European Reconstruction and Development Bank (EBRD, London) have a 42 percent shareholding. There are several foreign-owned banks in the country. The next commercial bank in Hungary to be privatized will probably be the Budapest Bank (BB). Standing in the way of the privatization of the other banks has been the reservations expressed by interested investors as to the quality of the loan portfolios held by the country's various commercial banks. These reservations are not unfounded. However, as part of the banks' debt consolidation process, the government has provided more than 300 billion forints in non-performing loan relief. These debts were a by-product of the process of economic transformation.

#### For further information, please contact

**Hungarian State Property Agency** Press and Marketing Department Tel. and fax: (+36-1) 267 00 66

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However, the banks' privatization cannot be separated from events taking place on the country's capital markets, emphasizes Mr. Bartha.

The capital markets hold the key

The Budapest Stock Exchange's daily turnover is less than those in Prague or Warsaw. The reason for this is that Hungarian companies are also quoted on Vienna's and other exchanges. Hungary's large utility companies are set for listing on the country's stock exchange. The first institutional investors in the country are now appearing. The Government intends to take all measures at its disposal to further both trends, notes Mr. Bartha in conclusion.

# Hungarian State Holding Company/State Property Agency

New Privatization Strategy in Hungary

is nearing the halfway point.
According to the latest estimates, 47 percent of the public sector's total former holdings have now been privatized. There are varying valuations of the property privatized. According to the State Property Agency's data, it owned 1,800 companies worth 2 trillion forints (\$18 billion) in 1990.

It is on this basis that the 47 percent mentioned above was calculated. When compared to the results achieved by the other countries in Central and Eastern Europe, the figure illustrates the country's strong position within its economic region and the confidence international investors have placed in Hungary. This confidence manifested itself from the very start of the transformation process and ensued from a variety of practical factors. Hungary quickly established a legal framework conducive to the creating of a market economy. The country has also dis-played a high degree of political stability. In recent years, Hungary's annual rates of working days lost to strikes have been among the lowest in Europe. Furthermore, the country has a large stock of highly trained, relatively inex-pensive workers. In view of these factors, it is no wonder than some \$7.2 billion in non-Hungarian long-term capital has been invested in the country during the last four years, with this taking place both via privatization and via greenfield investment.

#### Heightened interest

Today, the early fast pace of investment has slowed. The reason is that many of the most profitable and promising companies have already been sold. A arge number of highly valuable companies are still partially or totally owned by the public sector. These companies are, however, subject to the provisions of a special act of parliament, which sets the shares held by the government in the various companies. Another factor has been the heightened interest shown by investors in the region's other countries, increasing the level of competition for investment capital. Despite these factors, Hungary's position in its region remains strong.

The ideas guiding Hungary's approach to privatization have changed several times over the past few years. So-called "spontaneous privatization" was a common occurrence in 1989 and No matter what form the new organi-

ungary's privatization program 1990, a period in which the legal zation finally assumes, investors will largest telecommunications company) through investment funds, as yet to be It is anticipated that a number of comframework for the privatization process was not yet fully in place. Acts setting up the State Property Agency and the Hungarian State Holding Company (charged with managing the compa-nies to remain in the public sector's ownership on a long-term basis) were subsequently passed by Parliament.

> The new government intends to acceler ate the pace of privatization. It wishes to accomplish the sale of the remaining companies in public sector ownership and designated to be privatized within the next two to three years.

> The first change instituted by the govemment was to reformulate the country's basic approach to privatization. A new strategy and a draft law were prepared by a committee of senior economists and successful business persons, after securing input from various pro-fessional bodies and government min-istries. The draft law was submitted to the country's parliament in November. It should be passed by early next year, meaning that the new privatization approach and law could take effect by

> The new strategy's underlying objective is to boost the overall growth of Hungary's economy. During the strate-gy's formulation, there were involved debates on whether it would be more productive to restructure the companies to be privatized before putting them on to the market, or to sell them in their current state and let the new owners do the job of revamping them. It was decided that the public sector should not attempt to save companies it had been unable to manage effectively.

#### Public sector

The public sector intends to reduce the number of companies currently held as long-term assets, and thus to merge the State Property Agency and the Hungarian State Holding Company. The debate as to the structure of the merged organization has yet to be concluded. Parliament will have the final say on this matter. The core of the debate is whether the new organization should be a joint stock company or a public sector agency. The position currently prevailing is for it to be a publicly owned company. The Minister of Finance would represent the owners and exercise executive power.

find it easier to deal with. This new, "one stop" organization will not only hold the 160 companies previously owned by the Hungarian State Holding Company and those 600 still under the stewardship of the State Property Agency, but also the real estate and other property currently belonging to the Treasury Holding Organization.

The companies to be held by the new organization are heterogeneous. The most valuable are the ones still entirely owned by the state and active in such important areas as utilities. These include Magyar Villamos Müvek Rt. (Hungarian Electricity Co.), MOL (oil supplier), MATAV Co. (the country's

and Hungary's natural gas companies. International investors have already expressed interest in acquiring these companies. Pharmaceutical companies are also considered to be highly attractive by the international business community.

#### Role of stock exchange

The new government has set a preference for purchases on a cash basis, as such purchases provide both the federal budget and the companies sold with an influx of funds. The new strategy also foresees that foreign companies will play an even greater role in the country's economy. The companies' capital expenditures could be channeled

established. To this end, the government will make full use of the Budapest Stock Exchange. It is planned to float some 10 to 12 companies on the stock exchange within the near future.

At the same time, it is obvious that only a portion of the companies to be privatized will succeed in attracting investors willing to pay cash for their assets. For some 600-700 small and mediumsized companies, purchase by cashpaying investors remains the most desirable option. However, the managements of these companies would accept some form of preferential buying system, in which payment is made on a staggered basis.

panies will be privatized by management buy-outs initiated by company work forces or executives. In such case, preferential schemes will remain in force. In fact, a new form of preferential payment has recently been formulated. In it, employees and executives buy 10 percent of the company's shares up front, with a further 40 percent to be purchased over a 10-year

After this, the new owners receive the rest of the company's equity free of charge. However, this solution will only be implemented in situations in which there is no other way to privatize the company in question.

At the beginning of October, Gyula Horn, Hungary's prime minister, named Attila Lascsik to head the State Holding Co. The new director general, interviewed here, is 35 years old. unusually young by Hungarian standards for such a senior position. Mr. Lascsik describes himself as a technocrat. He is well-qualified for his position, having studied finance and having held a number of senior corporate positions.

Your appointment coincided with changes in the ranks of the board of directors of State Holding Co. According to the government, the reason for these changes was the wish to place privatization experts in senior positions, and to thus expedite the privatization process. As you know, the State Holding Co. is set to be merged with the State Property Agency, meaning that your tenure as CEO will probably only last until the end of 1991. What can you accomplish during this limited amount of time?

It is especially important to maintain the continuity of the privatization process during this period of transition, and to avoid any interruption of the ongoing work. A great deal of preparatory work also has to be carried out before the new law takes effect, because the new law will cause major changes in organizational structures. Through these changes, the privatization process will be made much more comprehensible to foreign investors, who will have to deal with only one agency.

Some people have voiced the criticism that your company's privatization-related decision-making processes have slowed down lately, instead of accelerating, as you have said should be happening. What is the truth of the matter?

The companies held by the State Holding

Company are to be divided into two main groups. The first group is more numerous but their individual and total value is less. Companies in this group have share capitals of less than 1 billion forints (\$9.1 million). Their size makes them attractive to domestic investors. The companies attracting foreign interest are mainly in the infrastructure field. They supply electricity or natural eas, or are active in telecommunications. To sell these companies, we are preparing highly detailed tenders and are conducting corporate audits undertaken according to international standards. At the same time, we are working on overall approaches to the privatization process which incorporate international practices. These approaches also take the interests of our country into account, as the infrastructure sector is of key importance to the future of the country.

Approaches have been put together before, but few tenders resulted from them. What's different about this time?

These large-scale infrastructural systems are currently state-owned and operated monopolies. We do not plan to change them into private-sector monopolies. Instead, to give an example, our plan foresees that individual power plants and network operators are to be privatized. They will then he linked to MVM Rt. (Hungarian Electric Co.) by trade supply agreements. MVM is currently the most valuable company in the country, with the value of its power plants, suppliers and network systems amounting to some 500 billion forints. The privatization plan for MVM should be completed by the end of November. It is derived from one compiled by Schroeder Co. of the U.K. Tender preparations may start as soon as December, However, the actual privatization will not take place until some time in 1995.

The plan for the privatization of the country's natural gas companies will be finalized during the second half of November. We are well aware of the fact that the existence of a clear and comprehensible tariff system is an important precondition for privatization. The Ministry of Industry : is intensively working on such a system and Itrust that this problem will be solved by next

The privatization of MATAV, the country's most important telecommunications company, is already partially completed. Thirty-three percent of its stock was sold by the State Holding Company last year. We are currently looking into floating the rest of its equity on the Budapest Stock Exchange.

One focus of our interest is the country's banks. an area in which interest from foreign investors is also strong. The most promising candidate for privatization is the Budapest Bank Co. An institutional investor is interested in the bank, but " the completion of sale won't take place until." 1995. The Budapest Bank has a shareholders' capital of 12.64 billion forints. We are preparing to launch OTP Co., the country's largest building society, on to the Budapest Stock Exchange. The bank's share capital amounts to 23 billion

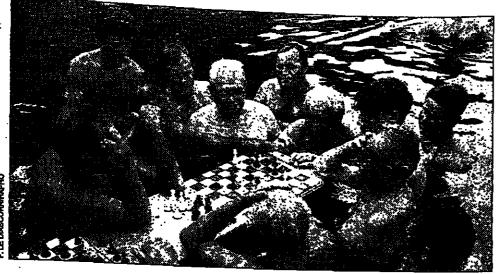
In the industrial sector, pharmaceutical companies have attracted most of the foreign investment interest. The privatization of these companies has already begun and is being carried out partially through sales to foreign investors, and partially by floating portions of the companies' rquity on the Budapest Stock Exchange. We expect further investment by foreign companies in this regard.

SPONSORED SECTION

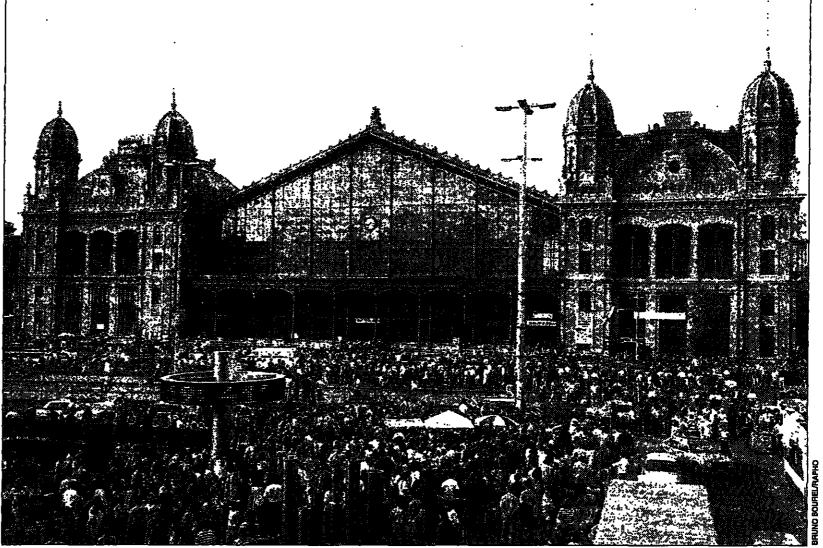
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C.T.DOTA







Tourists arriving at Budapest have a choice that includes a relaxing game of chess in a heated pool or an architecturally interesting church near Lake Balaton.

### CHALLENGES FACING TOURIST INDUSTRY

The need for more — and richer — visitors opens up attractions outside the traditional destinations.

In the first eight months of shopkeepers and hoteliers 1994, Hungary received 26 million foreign visitors. Income from tourism represents 8 to 9 percent of Hungary's gross domestic product, on a par with agriculture and telecommunications. Foreign exchange receipts in 1992-1993 amounted to \$3 billion. And in the first half of 1994, Hungary's income from tourism went up by 20 percent over the same period

The 1,100th anniversary in 1996 of the arrival of the first Hungarians in the renowned spring festival of Carpathian basin promises tacular celebration that will draw visitors by the millions.

In the early 1980s, most of Hungary's visitors originated from other Eastern bloc countries and had little spending power, but now more and more tourists from Western Europe are vacationing in Hungary. The number of American tourists in Hungary has increased every year for the last 10 years, and this year looks likely to top the quarter of a

million mark. In the picturesque and well-preserved little towns near the Austrian border.

quickly learned how to cater to the streams of mostly Austrian visitors. Signs are painted in German, and people working in the service sector speak German.

Austrian and German guests come to shop, to sit in the kavehazak or cafés, or to soak in Hungary's famous spa waters. Health tourism has taken off in Hungary over the last few years.

Renowned festivals Others come for the classical music or for the jolvest time. Lake Balaton proterskiing, windsurfing, swimming and sunbathing. Budapest itself is a vibrant cosmopolitan city.

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Two-thirds of the tourist industry is in private hands, and tourists are not being directed only to traditional tourist destinations, such as Lake Balaton and the historic sights of Budapest.

These days tourists think differently about Hungary, and we definitely intend to change our image." says Ervin Pocs, director of policy and research at the Hungarian Tourist Board. "The attention of many Western tourists has moved from the vides ideal facilities for wa- Great Plain, spa tourism. West'

**BEST CULTURAL CENTER** 

For a taste of Hungarian culture, the place to go is a Tanchaz, or dance house. The cultural house at Marcz"It's a way to see a side of Hungarian

Bands accompany wild heel-licking, leaping and spinning couples. Marczibanyi cultural house offers everything who speak English. And if you want to from traditional Hungarian folk dance

hobbies. We have great possibilities if we build around our natural resources.

The challenge that Mr. Poes faces is not only to increase the numbers of visitors, but also to attract tourists with higher incomes who will spend more per

day.

We would like to give a higher standard of service for mass tourism and a bigger assortment of services, says Mr. Pocs. "We would like to turn some of our hotels into real tourist complexes. We want to create completely new touristic products for the higher strata seaside resorts to nature: the of the population from the

tions.
"It's a way to see a side of Hungarian

culture that you do not see in normal tourist venues," says Christina Crowder, a 25 year old American musician living

#### **USEFUL ADDRESSES**

**Budapest Stock Exchange** Deak Ferenc utca 5 5th District, Budapest Tel.: 117 5226

**Ministry of Finance** Jozsef Nador ter 2-4 5th district, Budapest Tel.: 118 2066

State Property Agency Pozsonyi ut 56 13th district Budapest Tel.: 269 8990



# EXPLAIN VALUE AND ENGINE



# BORN OF ADVERSITY, A CULTURE THRIVES

ibanyi Square, in Buda, hosts same of the region's liveliest and most authentic

Like an island in a sea of Germanic and Slavic peoples, Hungary nurtures a distinct identity.

A Hungarian will never nomadic tribes from the east tire of talking history. Over a glass of Bull's Blood or on Asia. They arrived in the the bus, informal conversations are often punctuated with historical dates and references to the lessons of past

Knowing Hungarian history is the key to the Magyar heart, and if they wax melancholy on the subject, it is because of the tragic ro-manticism with which they regard their own fate.

Hungary is like an island, surrounded by what has, at times, been a hostile sea of Slavic and Germanic peoples. This has cultivated in Hungarians a strong patrio-tism and identification with their past.

To begin with, the language itself is an oddity, incomprehensible to Hungary's neighbors and unrelated to Slav or Indo-European language groups. De-spite its Finno-Ugric origins, it is only very distantly related to languages such as Finnish and Estonian, and it presents a challenge even to

linguists. But it is not only the language that makes Hungary unique. A rich culture of traditional dance, crafts and music thrives in the countryside around Budapest. Peasant women still travel to market dressed in colorful folk costumes.

Carpathian basin on horseback in 896 and settled down to prosper from agri-culture and cattle-rearing.

But it has not all been plain sailing since then. Hungary spent 150 years un-der Turkish occupation and then had a rocky relationship with its Hapsburg overlords until in 1867 a certain amount of autonomy was granted.

In 1920, Hungary was punished for its role in World War L The Treaty of Trianon awarded two-thirds of Hungary's territory to its neighbors, and a third of Hungary's population became citizens of other states. The rights of ethnic Hungarians living abroad is still a highly emotional issue in Hungary.

The violent uprising against Soviet domination in 1956 forced another wave of Hungarians to emigrate. Many of them have achieved international repute in science and the arts. Visitors to Hungary often laugh because every time an invention is mentioned, be it the television or the ballpoint pen, their hosts will claim a Hungarian deserves some credit for its develop-

Professor Erno Rubik's magic cube may have been Nomadic origin

Hungarians originate from the world by storm in the



A celebrated center of Budapest life: the Hungaria coffee shop.

ners of the Nobel Prize per capita than any other coun-

Earlier this year, Hungari-

1980s. And Hungarians economics with two other have produced more wineconomists for their work in applying the principles of games such as chess to complex economics issues. Hungarians have always been an-born John Harsanyi won the 1994 Nobel Prize for good at chess.

Tim R. Smart

#### INDUSTRIAL PLANT ON SALE IN HUNGARY!

COOPINFORM Co. offers

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#### **CALL FOR TENDERS**

On behalf of the Municipality of Budapest/H/ The Budapest Metropolitan Property Management Center Co. Ltd. hereby invites tenders to purchase the exclusive property of the Municipality of Budapest in the fifth district of Budapest, at 12 Karolyi Mihâly Street

The four storey /pius basement/palace was built in 1866 and designed by Miklós Ybl the most significant Hungarian architect of the period.

The aim of the tender is to choose the new owner of this historical building in the heart of downtown Budapest, who will renovate it while preserving its original architectural character.

The invitation for bids is international and public. The documentation, including the conditions of the competition and technical information, may be purchased between 9:00 a.m. and 12:00 noon on work days up to January 12, 1995 at the non-refundable price of 30,000 HUF + 25% VAT, at Budapest Metropolitan Property Management Center Co. Ltd., 23-27 Váci út, XII floor, Budapest XIII, H-1134 Hungary Phone/Fax: /36-1/120-2278, 120-1278

Tenders must be received before 14:00 p.m. January 20, 1995

The opening of tenders: January 24, 1995, 10:00 a.m. A committee designated by the present owner will preliminarily evaluate tenders. The final decision ought to be made by February 28, 1995, by the General Assembly of the Municipality of Budapest.

Hungarian law requires that we notify bidders that the inviter of bids has foreign trade rights.

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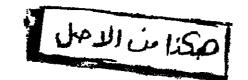
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# SPORTS

# Sweden's 5th Title Is Full of Thrills

Compiled by Our Staff From Dispatches MOSCOW — Yevgeni Ka-felnikov beat Stefan Edberg, 4-6, 6-4, 6-0, Sunday in the third singles match of the Davis Cup

His victory, however, came three matches too late for Russia, since Sweden had clinched the 1994 title with another fiveset thriller in the doubles match the day before.

In the last match, Magnus Larsson easily beat Alexander Volkov, 7-6 (7-4), 6-4, to make the final score 4.1.

Jan Apell and Jonas Bjorkman, less than two weeks after winning the ATP World Doubles Championship in Jakarta, had teamed to defeat Kafelnikov and Andrei Olhovskiy, 6-7 (7-4), 6-2, 6-3, 1-6, 8-6, and give Sweden an unbeatable lead in the best-of-five final.

This is Sweden's fifth Davis Cup title, its first in seven years. "It was a lot of fun to win in Jakarta last week, but this is really something," said Apell, beaming beside his partner. "This is bigger, with the team

and everything. After all, we play for Sweden." Apell, 25, and Bjorkman, 22, became doubles partners two years ago and were invited only this year, along with 24-yearold Larsson, to join Edberg, who is now 28 and addressed as

"father" on the national team. "It's been a great memory for, me," Edberg said.

It was even sweeter for John Anders Sjogren, the retiring captain whose first Davis Cup squad lost the 1989 final to Boris Becker and West Germany. Until this year, Sjogren's teams had come no closer.

"This is a classic Swedish team, with team spirit," he said after his players tossed him into

The left-handed Apell and right-handed Bjorkman had won the doubles in the team's earlier Davis Cup rounds against Denmark, France and the United States.

s Favored to win here, they outserved the Russians (11 aces and service winners to seven) and won more points (32-15) at the net. But the match could have gone either way.

Kafelnikov, Russia's top player, played brilliantly, even after exhausting himself Friday and hurting his left wrist in a fail. The Swedes tried to keep the ball from him, but he scored often with sharp service returns.

Sweden held every service until the fourth set. Then the Russians broke Bjorkman twice and evened the match.

With the decisive set tied at two games apiece and 10,000 spectators roaring, Russia blew the advantage three times; Apeil held service when Olhovskiy volleyed into the net and, on the next point, Bjorkman landed a smash at Kafelnikov's feet.

That was the point, Apell said, when Russia's momentum ran out. Each side held service until Olhovskiy double faulted to set up match point, and Ka-felnikov's easy forehand from the net went wide.

Kafelnikov, 20, afterward cited the "huge psychological pressure for us" to win. Sjogren had another explanation. "Apell and Bjorkman did a

great job," he said. "They were

very hungry."



(Reuters, LAT) Coach John Anders Sjogren, got a lift into retirement.

# La Bomba Tomba Still Has a Bang

TIGNES, France - Threetime Olympic gold medalist Alberto Tomba began what he has clocked 2:30.92 for the two said will be his last season of runs. competition in the best way: with another slalom victory.

Tomba, who won two golds in the 1988 Olympics and an-other in the 1992 Winter Games, was timed in 1 minute, 41.84 seconds for the two runs down the course with a drop of 185 meters (605 feet). He beat Michael Tritscher of Austria by

1.02 seconds. Tritscher, eighth after the first run, had the best time in the second run, 50.71, to move up with a time of 1:42.86.

Thomas Fogdoe of Sweden was third in 1:43.03. It was the 34th World Cup victory for the 27-year-old Tom-

ba, and his 23d in the slalom. He is now fourth overall in World Cup victories and can catch Pirmin Zurbriggen (40) and Marc Girardelli (43) if he has an exceptional year. But the all-time leader is Ingemar Stenmark with 84

Tomba had the fastest time in the second heat of Saturday's giant slalom, by almost a sec-ond, as he moved from 22d place to fourth. Liechtenstein's Achim Vogt, with only two top 10 finisbes in his career, won that race, Thomas Schulumenn/Reuten the men's first this season. Vogt was timed in 2:30.76,

just ahead one of his training partners, Switzerland's Michael Von Gruenigen, who was

Third was last year's overall World Cup winner, Kjetil-Andre Aamodi of Norway, with a total time of 2:31.06.

If Tomba started the new season the way he finished the previous one — he won the final two slaloms — his main rivals for the overall title, Aamodt and Luxembourg's Girardelii, were less impressive.

Aamodt was seventh in Sunday's sialom. Girardelli, a fivetime World Cup winner, failed to qualify for the second leg of the giant slalom and just made it into the top 30 on Sunday.

Slovenia's Jure Kosir, one of the prerace favorites, was fourth fastest in the first leg, but missed a gate in the second.

super slalom," Tomba said. "I was surprised I did so well. I didn't expect it."

He had a 50.81 time on the

Tomba, 27, said he did not expect to do so well so early in Tritscher. the season and that his disappointing first run in the giant slalom had perhaps given him the motivation he needed.

"I felt very frustrated after course was too flat for me," he said. Then, winning the giant's more than 2,600 meters. second run and taking fourth The International

wasn't happy.

second run, second only to

The men opened their competition this weekend after races in three countries were canceled for lack of snow. Tignes is one of the few places that run, especially as the in Europe to be able to handle a race, with its an altitude of

The International Skiing place overall was a great morale booster for the slalom." Federation will decide possibly Monday on whether to hold He led after Sunday's first races scheduled in Austria, Italy run by .17 seconds, but said he and Switzerland, and whether to reschedule the canceled races

The first run the gates were at Tignes or the nearby Val d'Isset too far apart. It was like a cre. (AP, Reuers)

#### Zeller-Bähler Wins 2d Giant Slalom

The Associated Press

VAIL, Colorado - Swiss veteran Heidi Zeller-Bähler rallied from third place after the first run Sunday to win the women's

World Cup giant slalom. Zeller-Bähler, who posted her first World Cup victory in a giant slalom last week at Park City, Utah, solidified her hold on first place in this season's overall standings.

Teammate Vreni Schneider had a ragged start on her second run and had to settle for second place, and Marianne Kjoerstad of Norway was third.

Zeller-Bähler, 27, in her 10th season on the World Cup circuit, began the second run 51hundredths behind first-run leader Urska Hrovai, 20, of Slovenia, but posted the fastest second run of 1 minute, 7.01 seconds for a combined time of

Schneider, runner-up after the first heat, could do no better than 1:07.28 for her second run and finished at 2:15.08.

2:14.86.

Hrovat nearly lost control early in her second run. Her time of 1:08.52 dropped her to fifth place.

of Liechtenstein placed fourth in 2:15.74.

Nearly 13 years after her only victory on the World Cup cirgroup of elderly skiers to win on the circuit. cuit, Sylvia Eder of Austria won Eder, in her 15th and final again, capturing the first womseason of racing, came out of

en's World Cup super-G race of the season. Eder held off teamthe 19th start position to post a time of 1 minute, 21.26 seconds. mate Veronika Stallmaier to Stallmaier, starting 33rd, then fashioned a brilliant run end one of the longest dry spells on the circuit. that was just two-hundredths of At 16, Eder was - and still is a second slower than Eder's.

- the youngest skier ever to win a World Cup race when she claimed a downhill in Badga-Heidi Zeller-Bähler of Heidi Zeller-Bähler of Switstein, Austria, in January 1982. zerland finished third in Now 29, she is among a select 1:21.59.

Stallmaier, 28, was seeking her

#### Several Women Seriously Hurt

VAIL, Colorado — The women's circuit experienced a rash of injuries, several serious, on its second week of competition. Annemarie Gerg of Germany tore two ligaments in her right knee, as well as breaking a finger and incurring facial cuts, when she crashed into a fence during Friday's downhill.

The torn anterior cruciate and medial collateral ligaments will require surgery, ending her season, according to a team spokesman. Gerg has returned home.

Also sent home was Melanie Suchet of France, who tore two ligaments in her right knee.

Two Slovenian skiers were injured, with Nives Sitar breaking both arms and suffering knee ligament damage in a fall during training. Mojca Suhadolc, after incurring a blow to the head in a fall in the downhill race, was hospitalized overnight for observation and did not compete in Saturday's super-G.

Kjoerstad had a combined in the downhill and strained knee time of 2:15.44, and Birgit Heeb ligaments, which should sideline her four to six weeks. She was sent home, but officials said they hoped to avoid surgery.

Less seriously injured was 18-year-old Canadian Melanie Turgeon, who aggravated shin splints during training and has been

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# China: 11 Athletes Face 'Severe Punishment'

BEIJING - The 11 Chinese athletes who tested positive for performance-enhancing drugs at the Asian Games face severe punishment, an official statement said Sunday.

The statement, issued through the state-run Xinhua News Agency, did not specify what the "severe punishment" would be but indentified the 11 athletes.

Abdul Muttaleb al Ahmad, the director general of the Olympic Council of Asia, in announcing Saturday that the 11 had been stripped of the medals they won at the October games in Hiroshima, had said in Kuwait City that the athletes, six women and five men, won their medals for swimming, cycling and the de-cathlon. But he said the athletes' names were not immediately available.

Xinhua identified the 11 as five wom- from allegations that the phenomenal en and six men. The women were swimmers Yang Aihua, Lu Bin and Zhou Guanbin, hurdler Han Qing and cyclist Wang Yan. The men were swimmers Xiong Guoming, Hu Bin, Zhang Bin and Fu Yong, and canocists Zhang Lei and Qiu Suoren.

The Chinese Olympic Committee had formed a special panel to investigate and punish the athletes and others involved in line with international sports rules and Xinhua said.

all Chinese athletes and sports groups to strengthen the rules against the use of

success of Chinese athletes over the past 18 months has come about with the help of a systematic doping program, reacted Saturday by calling the incident "very serious." But the IOC continued to cite the affair as an example that its drugtesting system is working.

The IOC said in its statement that it was "pleased to note the clear and very firm position expressed by China's sporting authorities, particularly the Chinese the COC's own rules against the drugs. Olympic Committee. They have cooperated fully with the international bodies It said the COC said it was calling on at all stages of the procedure."

"It is indeed known that in most doping cases the athletes are not the only ones implicated and that the responsibildrugs.

The International Olympic Commitity must also be sought among their
tee, which has pointedly distanced itself
entourage, notably their coaches."

In Saturday's World Cup women's race:

advised to take three weeks off to rest the nagging injury.

#### NASDAQ NATIONAL MARKET

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7-11-11

# ONDA SPORTS

# Autissier, With Makeshift Mast, Stays in BOC

Compiled by Our Staff From Dispatches CAPE TOWN - The French sailor

Isabelle Autissier, using a makeshift cruising boat. mast to replace the one destroyed in a gale, was continuing Sunday to sail toward Kerguelen, in a group of Frenchadministered islands near the Antarctic.

"Her chance of winning at this point is very, very seriously in trouble. But her remaining in the race is not in jeopardy," a BOC official, Herb McCormick, had said Saturday.

located a replacement mast on the Indi-tou-Charentes 2, was about 1,200 miles

"It's not a racing mast and it's not as high-tech as the one she had," he said. McCormick said the defending champion, Christophe Auguin of France, was leading the current leg. Steve Pettengill of the United States, who had been in second place overall, was moving into

the top spot. Autissier built a record six-day lead in He said Autissier was using an emerthe first leg, which began in Charleston, gency mast she had jury-rigged with her spinnaker pole, and that her team had 60-foot (18.3-meter) yacht, Ecureuil Poi-

an Ocean island of Reunion, although it was a second-hand, 43-foot mast for a from Cape Town on Friday and en route howled, sucking their voices into the void of a pitch-black night. when it's 83-foot mast was snapped off.

> David Adams of Australia, who is overall leader among the race's smaller boats (40 to 50 feet), was diverted by BOC headquarters to sail to her rescue. He pulled up alongside Autissier after being contacted about 65 miles north of her position.

batteries. Worse, a 35-knot wind makeshift rig.

As modern technology would have it, it was easier for Autissier to send a computer message via a Comsut satellite to Charleston. "I have seen David," she said. "He cannot do anything for me. I will see tomorrow what I can do. I do not want to make a decision now. I am exhausted."

Adams waited with her for a few When Adams, whose 50-foot boat, hours. But Autissier finally waved him True Blue, arrived, the two skippers on As he sailed away, he could see her in found they could not talk to each other. the darkness, lifting the boat's spinnaker Autissier's short-wave radio was low on pole in place for the first rudiments of a

Tournament of Char

SECOND TEST

SECOND TEST
India vs. West Indias, fourth day
Sunday, in Nogour
dia 1st Imminus: 5449 (decl.)
ast Indias 1st Imminus: 48
dia 2nd Imminus: 752
MANDELA TROPHY

Sri Lanko vs. Paki

How the top 25 fearns in The Associated Press; callege factball poli fered Satorday: 1,

Press College regroup poin revers Setterous' in Nebressica (12-0) did not play. Next: vs. No. 4 Aklami, Grange Bowl, Jan. 1; 2. Pean St. (11-0) did not play. Next: vs. No. 12 Oregon, Rose Bowl, Jan. 2; 3. Akbamu (11-1) lost to No. 6 Fiorlidg, 24-23. Next: vs. No. 13 Ohio Stote.

Citrus Bowl, Jan. 2: 4, Milanni (10-1) did not

play, Next; vs. No. 1 Nebrasko, Orange Bowl, Jan. 1; S. Colorado (10-1) did not play, Next; vs. Notre Dame, Flesto Bowl, Jan. 2. 6. Florido (10-1-1) best No. 3 Alabotno 24-23. Next; vs. No. 7 Florido State, Sugar Bowl, Jan. 2; 7, Florido State (9-1-1) did not play, Next;

21 // Person State (S-1-1) and ten body. Post; vs. No. 6 Florido, Super Bowl. Jon. 2; 8. Tanas A&A (10-0-1) did not play; season complete; 9. Auburn (9-1-1) did not play; season complete; 16. Colorado State (10-1) did not play. Next; vs. No. 2) Alichigan, Hollday Bowl. Dec.

11. Kansas State (9-2) did not play. Next : vs.

ian, in Joh

**FOOTBALL** 

Top 25 Results

Championship North Carolina Bé, Cincinnati 76

CRICKET

#### SIDELINES

#### Germany, Sweden Set Swim Marks

STAVANGER, Norway (AP) - The German team of Jirka Letzin, Mark Warnecke, Dirk Vandenhirtz and Silko Günzel shaved nine-hundredths of a second off the world record in the men's 200-meter medley relay Sunday with a time of 1 minute, 38.01 seconds in the European Sprint Swimming Championships. Sweden's Zsolt Hegmegi, Lars-Ove Jansson, Joakim Holmqvist

and Per Lindstrom broke the 200-meter freestyle relay record by 0.32 seconds on Saturday, clocking 1:27.62. The German tearn finished second; Sweden was second in the 200 medley relay.

# Eintracht Dropping 3 Rebel Players FRANKFURT (Reuters) — Ghanaian captain Anthony Ye-

boah, German international midfielder Maurizio Gaudino and Nigerian Jan Jay Okocha, the three Eintracht Frankfurt players who pulled out of Saturday's match with Hamburg after a row with the coach, Jupp Heynckes, have been put on the transfer list. Club sources said it was unlikely the three would play against Napoli in a UEFA Cup match Wednesday.

• Argentine striker Gabriel Batistuta had his record 12-game scoring streak ended in Turin, Italy, as Juventus came back to beat Fiorentina, 3-2.

#### For the Record

Nick Faldo beat Nick Price and Ernie Els by three shots to win the Million Dollar Challenge in South Africa and golf's richest first prize: \$1 million.

Tiger Woods, the U.S. Amateur golf champion, was mugged at Stanford University, where he is a freshman; he said a man with a built took his many heart of the said a man with a knife took his watch and gold chain and hit him in the jaw with the knife's handle, knocking him to the ground.

Yasnei Yakushiji retained his WBC bantamweight title by outpointing fellow Japanese Joichiro Tatsuyoshi in Nagoya, Ja-Anaclet Wamba of France retained his WBC cruiserweight

crown by outpointing Marcelo Dominguez of Argentina in Salta. Ichiro Ogimura, 62, president of the International Table Tennis Federation, died of lung cancer in Tokyo.

Bowl, Jon. 2: 14, Utah (9-2) did not play. Next:
vs. No. 15 Artzono, Freedom Bowl, Dec. 27: 15,
Artzono (8-3) did not play. Next: vs. No. 14
Utah, Freedom Bowl, Dec. 27.
Cremonese G, Inter of Millar Cremonese 6, Inter of Millon 1 Juventus of Torin 3, Florentino 2 16 Mississippi State (8-3) did not play. Next: vs. No. 23 North Carolina State, Peach Bowl, Napoli 1, Torina 1

Lens 1, Paris SG 2

vs. No. 23 North Carolina State, Peach Bowl,
Jon. 1; 17, Virginite Tech (8-3) did not play.
Next; vs. Texnessee, Gathy Bowl, Dec. 30; 18,
North Carolina (8-3) did not play. Next: vs.
Texns, Sun Bowl, Dec. 30; 19, Virginia (8-3) did
not blay. Next: vs. Texns Christian. Independence Bowl, Dec. 28; 28, Michigaa (7-4) did not
play. Next: vs. Texns Christian. Independence Bowl, Dec. 28; 28, Michigaa (7-4) did not
play. Next: vs. No. 10 Colorado State, Holiday
Bowl, Dec. 30, 12, Southern Cal (7-3-1) did not play. Next:
vs. Texns Tech, Coltan Bowl, Jan. 2; 22,
Brigham Yeang (9-3) did not play. Next: vs.
Oklaham Capper Bowl, Dec. 29; 22, North
Childrana, Capper Bowl, Dec. 29; 22, North
Lens 1. Paris SG 2

Oklohomo, Copper Bowl, Dec. 29; 23, North Carolino State (8-3) did not plan, Next; vs. No. 16 Mississipoi State, Peach Bowl. Jan. 1; 24. Washipoton State 1,74 did not play, Next; vs. Boylor, Alama Bowl, Dec. 3; ; 25, Duke (8-3) did not play. Next: vs. Wisconsin, Hall of

Other Major College Scores

Army 22, Newy 28 Mersholl 23, Jemes Mediser 21, OT Youngstown St. 18, E. Kentucky 15 Boise St. 17, Appdochlor St. 14 Montono 36, McNeese St. 28 ng kewali garanang sa

GERMAN FIRST DIVISION GERMAN FIRST DIVISION
Boyern Munich 2 Dynamo Dresden 1
Karisruhe SC 3, Werder Bremen 1
Boyer Jerdingen 0, SC Freiburg 2
VIB Stuftgari 2, Maenchengledbach 4
Eintracht Frankfurt 2, Hamburg SV 8
Boyer Leverkusen 3, FC Cologne 1
FC Kaleersloutern 1, 1868 Munich 1
Barussig Darimund 1, MSV Duisburg 8
Shadings: Barusia Darimund 28 pena

Werder Bremen 22, Moenchensfadbach 23, FC Kolserslautern 22, SC Freiburg 21, Bayern Munich 21, Kortstuhe SC 21, Bayer Leverkusen 19. Hamburg SV 18, V18 Stuftgart 16, Eln-tracht Frankfurt 16, Schalke 13, FC Cologne 13, Boyer Verdingen 10, Dynamo Dresden 9, 1860 Munich 8, V1L Bochum 8, MSV Dulsburg

5. DUTCH FIRST DIVISION
MVV Maastricht 1, Reda JC Kerkrade 1
Willem 11 Tilbura 4. G.A. Eostes Doventer
SC Hecrenveen 4. NEC Nilmeden 2
RKC Waalwilk 2. NAC Breda 0
FC Twente Enschede 2. PSV Eindhaven
Feyenoord Rotterdann B. Vitesse Arnhem
FC Graningen 4. Sparia Rotterdam 0
FC Illoekt 2. Deathachtm.

FC Ulrecht 3, Dordrecht 90 ?
FC Volendom 2 Alox Amslerdom 2
Standings: Rada JC 24 points. Alox 23, FC
Twente 21, PSV 20, Fevenoord 17, Willem II 16.
Vitesse 16, Heerenveen 16, MVV 13, FC
Ulrecht 13, NAC 12, FC Graningen 12, FC Veendam 12. Sporta 11, NEC 18, RKC 9, GA

ITALIAN FIRST DIVISION

Bostia vs. Metz. ppd.

Standings: Number 42 points, Peris St. Ger-main 38. Connes 34. Lyon 34. Bordeaux 33. Auserra 31, Strasbourg 31. Lens 27. Marriques 77, Scint-Effenne 24. Rennes 24. Monoco 23. Le Havre 23. Atel 23. Alec 21, Lille 21, Bastio 20. Coen 18. Socheux 18, Mentpe

Caen 18. Sochaux 18. Manipellier 15.
ENGLISH PREMIER LEAGUE
Queen's Park Rangers 2, West Horn 1
Coventry 1. Liverpool 1
Ipswich 1. Mauchester City 2
Lekester 1, Astron Villa 1
Manchester United 1, Narwich 9
Nothingham Forest 2, Arsenol 2
Sheffield Wednesday 1, Crystol Polace 9
Southamann B. Chelsen 1 Southampton 0. Chelsea 1

ter United 38, Newcastie 34, Liverpool 31, Nei-insham Forest 29, Manchester City 28, Chei-seo 27, Leeds 27, Norwich 24, Coventry 23, Toffenham 22, Arsend 21, Southampton 21, Sheffield Wednesday 21, Crystal Polace 20, Queens Park Rongers 19, Wimbledon 18, West Jam 17, Aston Villa 15, Everlan 14, Leicester

SPANISH FIRST DIVISION Sarcelana 1 Deportivo Coruna 1 Real Valiadelid 1 Celta 1 Real Oviedo 0 Real Betis 0 Real Socieded 1 Real Modrid 1 Volencia 3 Albacete 3 Atletica Modrid 2 Athletic Billion 1 teia I Racing Santander i

or resident a second

World Cup Results

WCAKEN
Results Friday from Vall, Colorado of the
first warnen's downlatt ruce of the teason; ),
Hilary Lindh, Juneou, Alaska, 1 minute, 45.00

Kotle Selzinger, Germany, 1:45.44; 4. Stefanie Schupter, Austria, 1:45.92; 5. Heidl Zurbrig-sen, Switzerland, 1:45.99. & Permitte Wiberu. Sweden, 1:46.02; 7, North-allie Bouvier, France, 1:46.10; 8, Meison Ger-ery, Ancherose, Alasko, 1:46.10; 9, Heidi Zeller-Boehler, Sedizerland, 1:46.20; 10, Wor-

word Zelenskold. Russid, 1:442). Results Salurday from Voll of the first wom-Results Salurday from vaster has season; 1, super giant statent race of the season; 1, sylvia Eder, Austria, 1 minute, 27,26 seconds; 2, Veronika Stalimater, Austria, 1:27,26; 3, Hel-2. Veroniko Statkmaler, Austria, 1:21.28; 3. Hel-di Zeller-Isochler, Switzerland, 1:21.54; 4. Barborg Mertin, Italy, 1:21.21; 5, Nathalle Bouvier, France, 1:21.83. 4. Snorman Nobis, Park City, Ulah. 7:27.86: 7.

A. Shoratani A. Valley, Idaho. 1:21.94; & Alexandra Meissnitzer, Austria. 1:21.99; 9. Hilde Gers, Germany, 1:22.98; 10, Katlo Sel-Hilde Gerg, Germany, 1:228: Nr. Kaflo Selziager, Germany, 1:2213.
World Cus overall standings (after tour races): 1. Zeller-Bachler, 189 points; 2. Schreider, 177; 2. Eder, 118; 4. Selzinger, 114; 5. Wilhers, 108; 6. Lindh, 104; 7. Erfl. 100; 8. Stallmaker, 15; 9. Kostner, 25; 10. Boovier, 81. (1ie) Marianne Kloerstad, Norway, 81. 4.EM

WEN MEN
Results Saturday from Tignes, France in
the first glant slain race of the stusen with
skier, country, heat times and total; 1, Achim
Vogs, Liechtenstein (1:14.79, 1:16.57), 7 min•..•

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Vost. Liechtenstein (1:14.79, 1:16.57), 2 minutes, 30.74 seconds; 2, Michael Van Grundyen, Switzerfond (1:14.27, 1:14.65, 2:20.92; 3, Kietii-Andre Aoment, Norwery (1:14.67, 1:14.25), 2:31.96; 4, Alberto Tombo, Italy (1:16.07, 1:15.44), 2:33.57; 5, Urs Koelin, Switzerfond (1:14.45, 1:17.13), 2:31.58, 6, Jure Kosir, Slovenio (1:15.02, 14.86), 2:31.88; 7, (Ne), Mario Reher, Austria (1:15.28, 1:16.21), 2:31.99; 7, Roiner Salzseber, Austria (1:15.28, 1:16.42), 2:31.99; 9, Christian Mover, Austria (1:15.07, 1:16.94), 2:32.81; 10, Guenther Moder, Austria (1:15.34, 1:14.92), 2:32.29; Results Sendoy from Tissues of the first shoton race of the seasons with sider, country and two-beat tisse: 1, Alberto Tombo, Noty (51.05 - 50.81) 1 minute, 41.84 seconds; 2, Minute (1:15.07, 1:16.15)

and two-best Here: 1, Alberto Tombo, Italy (\$1,03 - \$0.81) 1 minute, 41,84 seconds; 2,444 cheel Tritscher, Austrio (\$2.15 - \$0.71) 1:42,86; 3, Thomas Foedoe, Sweden (\$1.28 - \$1,53) 1:43,03; 4, Oke Christian Furusett, Norwa (\$1.81 - \$1.59) 1:44,05; 5, Michael Von Grueni gen, Smitzeriond (\$7.57 - \$2.27) 1:40,58, 4, Andrea Zinsil, Switzeriond (\$2.42 - \$1.52; 1:40,58, 7, Kjellhandre Aumondt, Norway (\$2.38 - \$1.89) 1:44,24; 8, Finn Christian Jagge, Norway (\$1.39 - \$2.41) 1:44,00; 9, Bernhard Bauer, Germany (\$2.27 - \$1.77) 1:44,94; 10 Maria Reiter, Austria (\$2.17 - \$2.01) 1:44,78. Overall World Cup standings: (offer two races): 1, Alberto Tomba, Italy 159; 2, Michoel Von Gruenigen, Switzerland 125; 3, Achim Vogf, Liechtenstein 180; 4, Kieffi-Andre Aumondt, Norway 96; 5, Michoel Tritscher, Austria, 80.

de, Sweden, 69; 8, Ohe Christian Funsetti, Norway, 38; 9, Urs Koelin, Switzerland 45; 10, (tie) Andrea Zinšii, Switzerland 49; 10, Jure Kosir, Slovenia 49.

& Mario Retter, Austria 62; 7, Thomas Fog-



Australia 74 France 0
RUBGY UNION TOUR
Berbarians 23. South Africa 15

#### TRANSTITORS -BASEBALL

CALIFORNIA-Put Jeff Schwarz, pitcher.

couver, PCL. SEATTLE—Signed Gory Thurmon, Bosii

Shahazz and Darrell Sherman, outfielders, to contracts with Calgary, PCL.
TEXAS—Put Jeff Huson, Inflic ers for purpose of giving his uncondition release. Named Mike Berger manager release. Named Alike Berger manager and Brad Arnsberg pitching abach of Charleston. South Attentic League; Burnp Wills manager and Steve Foucault elitching coach of Hudson Valley, York-Penn League; and Frank Nev-

Volley, York-Penn League; and Frank revlile minor-leasue medical coordinator.

\*\*National League\*\*
CHICAGO—Put Dave Otto, pitcher, on 
waivers for purpose of giving him unconditional release.

SAN DIEGO—Agreed to letrns with Brett 
Merriman, pitcher, on minor-league contract.

BASRETBALL

Notional Baskstball Association
UTAH—Released Walter Bond, suand, Activalid Jay Hymphries, suand, from disobled

valed Jay Humphries, guard, from disobled

Injured fist. Activated Larry Krystkowisk, forward, from Injured fist.

DENVER—Activated Darnell Mee, goord.
Placed Regate Williams forward, on injured

National Hockey League
ANAMEIM—Assigned Oles Tverdovsky,
defensemen, to Brandon Wheat Kings, WHL. COLLEGE

COLLEGE

NCAA—Reinstoted Jeff Clieft and Dave
Coradini to Georgio Southern basketball
Isom and ordered the two to sit out two games.
ARKANSAS—Fired Larry Van Der Heyden
and Buddy King, offensive line coaches.
CALIFORNIA, PA.—Sheo Fleenor, trashman basketball forward, has transferred
from Marshall.
COLORADO—Named Rick Neuhelsel football coach, effective after Flesse Sowl.
OUKE—Announced transfer of Joey Beard,
sothambre forward, other tall semester.

sophamore forward, when we see EASTERN ILLINOIS—Extended confirm Bab Seco, football coach, through 1995 se

#### SCOREBOARD

**NBA Standings** EASTERN CONFERENCE PCt .784 .615 .467 .429 .385 .353 .308 WESTERN CONFERENCE Midwest Division 10 6 425 8 6 571 7 6 538 7 7 500 LA Lokers FRIDAY'S RESULTS

8: Wilkins 15-25 0-0 34. Rodia 7-15 2-2 14. Re-bounds--Phoenix 97 (Barkley 91, Boston 44 (Radio 9), Assists--Phoenix 25 (Perry 8), Bosion 26 (Brown 10). Secremento 26 26 17 27—96
Philodelphilo 22 28 19 33—99
S; Richmond 11-254-530, Smilth-674-516; P:

Weatherspoon 6-19 4-6 18, Burton B-13 B-13 25. Rebounds—Sacramente 45 (Polynice 9). Phil-totalphia S (2, Williams, Brodley 7), Assista-Sacramento 25 (Richmond, Webb, Hurley 6). Princespind in (Barres 12).

Defroil 31 39 16 23—304

Weskington 21 33 28 33—115

21 Hill 10-21 8-11 28, Dumors 6-14 7-9 29; W:

Webber 8-11 2-4 18, Duckworth 9-15 0-1 18,

Chenney 6-8 3-4 19, Rabousds—Defroil 54

(Mills 7), Weshington 46 (Duckworth 10), As-

31 25 22 24- 97 35 31 24 25-115 N.L.: Anderson 4-16 5-6 16, Walters 5-11 2-2 Rebounds—New Jersey 45 (Gilliom 7), Alic 57 (Willis 17), Assists—New Jersey 131 221

N.Y.: Ewine 7-19 1-1 15. Storics 5-13 1-1 12: O: v 10-15 10-12 31. Rebounds—New York 57 (Oakley 11). Orlando 52 (O'Neal 10). Assists—New York 21

man 7-17 4-8 20, Long 6-10 4-4 16; C: A: Augmen 7-17 6-9 20. Long 6-10 4-1 16; C: Armstrong 2-12 3-4 19, Kukoc 7-14 5-8 19. Rabounds—Atlentu 43 (Long 9), Chicogo 42 (Pippen 11), Assists—Atlentu 19 (Bioylock 6). Chicogo 24 (Pippen 9). See Aslenie 22 28 26 27—45 Portiond 24 29 16 22—91

Cogo 24 (Pippen 9).

See Astenio 22 28 24 27—75
Portiend 21 27 16 22—71
S: Elikoti 12-22 7-73, D. Robinson 10-19 12-14
21 P: C. Robinson 7-20 2-2 17, Williams 8-11 8-0
14. Rebounds—Son Antonio 44 (D. Robinson 12), Portiend 51 (Dudler 14), Assists—Son Antonio 15 (Johnson 7), Portiend 20 (Henson 9), Heississ 28 21 28 28—89
L.A. Letters 29 38 29 19—107
H: Henryru 3-13 4-5 22, Oligiyano 4-15 4-6 16;

LA.: Ceballos 10-19 2-2 25, Divac 10-15 2-5 22. - Houston 53 (Harrero 11), Los An-

**DENNIS THE MENACE** 

28 26 36 15—105 31 32 18 26—107 Hordoway 17-18 3-5 0: O'Negi 10:25 7-11 27, hardoway 17-18 3-5 26; A: Austman 10:15 1-171, Blavfock 6-16 1-216. Enlo6-9 1-216. Rebeated—Orlands 49 (O'Neal 15), Affanta 44 (Kanoak 6), Assists—Orlando & (Anderson, Hordaway 7), Atlanta 25 (Blay-

10CK 18).

Washington 26 19 25 25— 95
New York 27 26 32 26—117
W: Skiles 6-10 4-4 20, Cheomy 8-16 3-4 19;
N.Y.: Smith 9-14 5-5 21, Mason 8-9 6-9 22. Rebounds—Washington 40 (Webber 8), New
York 51 (Ewing 10), Assista—Washington 21
(Skiles 6), New York 29 (Anthony 8).
Philiodelphia 22 16 18 26—43 23 16 18 26—83 17 22 21 18—78

therspoon 10-17 3-4 23, S. WI 3-315: C: Mults+143-473 HILL+105-1212 Price 6-175-6 18, Rebeards—Philodelphia 40 (S.Williams 10), Cleveland 76 (Hill 18), Assists—Philodelphia 19 (Barros 7), Cleveland 18

Price 5).
Phoenix 30 22 17 26— 97
Petrati 27 35 25 26—107
P: Scrkley 6-11 6-6 28, Ruffin 4-8 4-5 13; D: Phoenix Deiroii P: Scridey 6-11 6-2 M. norms 6-14 7-16 17. Re-bounds—Phoenix 44 (Sarkley 10). Detroit 59 (Miller 10). Assists—Phoenix 17 (Sarkley, Perry 4), Detroit 25 (Hill, Durnors, Dowkins 4). 29 22 27 16-94 31 21 21 16-85

New Jersey
S: Richmond 11-28 8-31, Abdelendly 3-9 0-0
31 N.J.: Gifflom 16-17-2-2 22, Benimmin 4-9 6-7
18, Anderson 6-16 4-5 18, Rebeards—Socramento 45 (Smith 11), New Jersey 50 (J.Williams 44), Assists—Socramento 17 (Webb 7), New Jersey 22 (Anderson 15), Uteh
22 23 35 31-12
Delices
23 16 23 28-87
U: Molione 7-17-3-4 21, Carr 10-13 2-2 22; 0: Moshburn 3-11 12-15 18, Jackson 11-21 7-12 31, Reboonds—Uteh 44 (Spencer 9), Dallos 42 (Jones 12), Assists—Uteh 26 (Slockton 12), Dallos 16 (Moshburn 4), Bogton
28 26 19 34-107
Chicoso
34 22 23 31-125
3: Montross 6-12 6-7 18, McChenlet 7-10 3-5 17:

B: Montross 6-12 6-7 18, McDaniel 7-10 3-5 17;

6: Pippen 11-15 22 5. Buechier 6-11 24 17.
Rebounds—Baston 43 (McDaniel 8), Chicago
53 (Perdue, Kukac 7). Assists—Baston 20
(Wesley 7). Chicago 30 (Harper 7).
Charlette 39 22 18 18—65
Deever 24 25 27 16—P? C: Curry 7-12 2-2 19, Porish 7-10 2-2 14; D: Rogers 6-11 1-2 17, Silm 5-8 7-9 17, Rebounds—Charlotte 41 (Mouring 11), Denver 52 (Mulambo 22), Assists—Charlotte 17 (Bogues 7),

Denver 19 (Pack 8). Milwaukee M: Baker \$-17 5-6 21, Rabinson 11-19 2-2 24. Day 6-167-620; 5: Kemp 10-146-526,Gill \$-125-8 24. Rebounds—Milwoukee 56 (Baker 13). Seattle 47 (Kerno 15). Assists—Milwoukee 19 (Murdock 6), Seattle 26 (McMillian, Payton

29 (Mardoway, Sprewell 9).

Alianasofs 28 24 22 25—193

A. Cippers 16 22 22 34— 75

M: Loetiner 7-15 5-7 19, Rider 6-16 5-6 19,
West 7-9 4-19; L.A.: Vaught 10-20-0-1 20, Murroy 7-11 5-6 23, Rebounds—Minnesofs 42 (Loetiner 10), Los Angeles 45 (Fish 9), Az
sists—Minnesofs 26 (Garland 9), Los Angeles

35 (Picharinan 8)

**Top 25 College Results** 

How the top 25 learns in The Associated Press' men's college businessell nell fared this weekend: 1, Massociaseriss (1-1) lost to No. 7 Kanaca 81-75, Next; vs. Pittsburgh, Thursday; 2, North Carolina (4-0) bent Pittsburgh 90-87. beat South Carolina 95-68, best No. 10 Cincin noti 56-76. Next: vs. No. 24 Villanova, Thursday: 1. Kentucky (2-1) beat No. 14 Ohio University?9-74, lost to No. 5 UCLA 82-81. Next: vs. Indiana at Louisville, Ky. Wednesday: 4 Archance at Louisville, Ky. Wednesday: 4 Archance 3-10 boat Jockson State 103-87. Boat Alissour! 94-71. Next: vs. Centencry, Tuesday:

S. UCL. A (2-0) beat No. 3 Kentucky Scot. News:
vs. Cal State-Fallerton. Satherday.
6. Dute (3-1) lost to No. 16 Connecticut 90-86.
beat Illinois 70-65. Next: vs. George Washinghor. Tuesday: 7. Konsoss (2-0) beat No. 1 Massochwafts 81-75. Next: vs. Cason State, Monday: 8, Florida (3-0) beat Baston College 91-66.
beat No. 21 Wake Forest 8-70. Next: of No. 7
Konsos, Wednesday: 9, Artoma (3-1) beat No.
17 Michigan 78-57. Next: vs. Florida State,
7 ussday: No. Checkmatt (3-1) beat Rusters 7261. beat Temple 60-41. lost to No. 2 North Caroline 84-76. Next: vs. Cantsius. Friday.

s. LICL A (2-0) best No. 3 Kentucky 52-61. Next:

lina 86-76. Next: vs. Canisius, Friday, 11, Maryland (4-1) beat Loyola, Md. 92-42. 11, Matryland (4-1) beat Loveka Md. 97-42. beat Bucknell 182-44. Next: vs. Maryland-Bei-limora County, Monday: 12, Arteone State (4-1) beat Northern Arizona 74-50. lost to New Mexica 57-71. Next: vs. UC Irvine, Schurday, Dec. 17: 13, Wisconsin (3-0) beat Wisconsin-Green Boy 61-57. beat Taxts Tech 70-65. Next: vs. Volporouso, Tuesday: 14, Obto University (5-2) lost to No. 3 Kentucky 77-74. beat UC Irvine BAYZ, OT Iret to Irona 61-25. Next: us

(5-2) lost to No. 3 Kentucky 79-74. bedt UC Irvine 31-72. OT. lost to town 91-73. Next: vs. Ohio Dominicon, Wednesday; 15. Missessite (5-6) bedt Socremento State 102-84. bedt Central Connecticut State 92-54. Next: vs. Rhode Island, Sunday, Dec. 17.

16. Connecticut (3-0) bedt No. 6 Duke 90-84. bedt Yale 185-52. Next: ys. Baston College. Tuesday; 17. Michigan (3-2) test to No. 9 Arizona 78-57. bedt Tennessee-Charlesnoog 83-71. Next: vs. Detroit, Monday; 18, Michigan State (2-0) bedt Illinois-Chicoso 93-78. bedt Louisville 65-71. Next: of Nebruska, Safurdoy; 19, Georgetown (2-1) bedt Morgan State 99-63. bedt DePout 74-68. Next: vs. Providence. beat DePaul 74-68. Next: vs. Providence Wednesday; 20, Georgia Tech (4-0) beat Coastal Carolina 90-78, beat Western Carolina

89-43. beet East Carolina (90-74. Next): vs. Lo-favette, Saturday.

21, Waise Ferest (2-1) beat Davidson 74-62. lost to No. 8 Florida 81-70. Next): of Richmond. Thursday; 22. Syrosane (3-1) beat Colgate 88-53. beat Kent 83-50. beat Davidson 89-64. Next: at Miami, Tuesday; 23, Virginia (3-1) beat North Carolina A57 94-50, beat Towson State 94-66. Next): at Vanderbiff, Tuesday; 24. Vil-laneya (3-1) beat Marist 80-59. Next; vs. Seton Hall, Manday; 25. New Mexica Shale (5-1) beat Western New Mexica 99-71. beat Texas-El Paso 89-63. Next; at Texas-El Paso, Tuesday.

Other Major College Scores

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Penn 51, 95, Vonderbilt 73
Pittsburgh 75, Buffala 73
Providence 20, Rhode Isk seton Hall 110, Long Island U. 72 St. Francis, Pa. 79, Delaware St. 68

St. Joseph's St. Princeton 38 Vermont 108, Lulayette 49 West Virginio 132, Alasko-Fairba Alsoama 75, Vo. Commonwealth 57
Austin Peay 101, Shorter 75
Charleston Southern 84, Citodel 69
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Furman 49, Wolfard 55
Georgia 61, Mercar 71
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James Modison 91, Pundue 97
LSU 127, George Moson 104
Liberty 69, W. Michigan 63
Maryland 102, Bucknell 64
Md.-E. Share 84, Goucher 80
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WHAT IF I

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Iowa St. 82, Wyomine 63
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Texas A&M 60, Oral Roberts 58
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TOURNAMENTS "MAME Amerikas Cic. Champi Morehead St. 86, Southern Miss. 77 Corrier Classic Championship First Bank Classic

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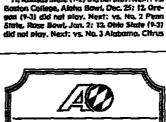
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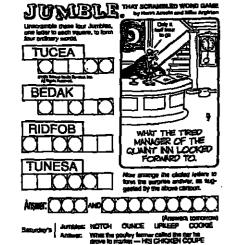
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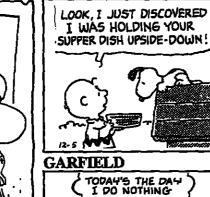


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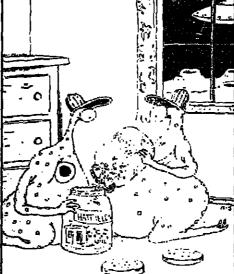
HE'S BACK ON THE HILL. ONLY THIS TIME THE G.O.P.'S RUNNING THE COMMITTEES!











# SPORTS

# No. 1 UMass Falls To No. 7 Kansas

Another top-ranked college hasketball team fell with a thud over the weekend, a victim of wretched shooting and a relentless opponent.

Lou Roe tried desperately to carry No.1 Massachusetts on his back, but the Minutemen proved to be a heavy burden down the stretch and No. 7 Kansas pulled away for an 81-75 victory Saturday in the first eame of the John R. Wooden Classic in Anaheim, California. No. 5 UCLA brought down No. 3 Kentucky in the second

So, there will be a new No. 1

Roe did his part to keep UMass on top, but he couldn't guard all five Jayhawks alone. Or score over them either. He had 33 points and 10 rethe bounds, often dominating the

#### COLLEGE HIGHLIGHTS

taller Jayhawk front line, but Roe's teammates abandoned him late in the game. Against previously top-ranked Arkan-sas on Nov. 25, Roe scored 34 points and had 13 rebounds in overwhelming the Razorbacks' Corliss Williamson. He also had help in the 24-point victory. In this game, he did not.

Against Kansas, the 6-foot-7 (2-meter) forward made a respectable 13 of 25 shots from the field. His teammates threw up bricks, however, making only 17 of 52.

At times, the highly-touted sophomore center Marcus Camby seemed invisible. Jayhawk big men Raef LaFrentz, who had a team-high 18 points, Greg Ostertag and Scot Pollard dominated the second half.

Camby, who had 13 points and 12 rebounds against the defending NCAA champion Arkansas, had two points and five rebounds against Kansas.

Two free throws by Jacque Vaughn and a three-point basket by Jerod Haase in the game's final 1:14 helped Kan-

sas seal the victory.
"It was apparent today that we can't beat the top teams with only one guy," the UMass guard Derek Kellogg said.

pointed to his team's woeful ter. shooting and the Jayhawks' re-markable intensity as the deciding factors. "I thought we got outplayed, outhustled and outcoached," Calipari said. "We Florida to victory. The Gators have shot better. It takes great held Wake Forest to one shot balance to beat a Kansas or an on most of its possessions, then Arkansas and you can't beat maintained that control to keep

tacky 81: UCLA freshman J.R. Only Florida's inconsistent Henderson wasn't even born ballhandling—19 turnovers when the Bruins and Kentucky last played nearly 20 years ago for the NCAA championship.

kept it from opening a bigger margin and the Gators' stifling man-to-man defense quieted So he was hardly nervous stepping to the line with six-tenths dolph Childress, Wake Forest's of a second remaining and the prime offensive threat. game in his hands. Henderson hit two free throws to give sity 75: In Iowa City, Iowa, Jess

UCLA the one-point edge. "I'm not the one to get real host surprised Ohio and won nervous," Henderson said. "As the Hawkeye Invitational soon as the first one was over, that was the big one." Kentucky called a time-out, sending Henderson to the bench to consider games the pressure. Instead, the 18year-old smiled and told senior teammate Ed O'Bannon that his second attempt would be "no problem." Indeed, it wasn't. Henderson toed the line, and the net swallowed his shot.

14 Proportion

16 Regulation

(1976 Hall &

"I was on the bench and I saw the second one in already in my mind," he said.

The two schools hadn't played each other since the 1975 NCAA title game, which the Bruins won, 92-85, for the last of coach John Wooden's record 10 championships.

After No. 7 Kansas beat No. 1 Massachusetts, in the opener, and with Wooden watching the doubleheader, the Bruins took advantage of Kentucky's foul trouble and exerted strong defensive pressure to come back in the final minutes.

Kentucky led by 10 with about 11 minutes to play and was up 77-71 with 3:40 to go before UCLA rallied.

It was the lack of interior defense that hurt the Wildcats, Kentucky's coach, Rick Pitino,

O'Bannon led UCLA with 26 points, while Zidek had 16 points and 10 rebounds. Kentucky got 16 points from Rodrick Khodes and 14 from Jeff Sheppard.

Tony Delk, the Wildcats' leading scorer with a 17.0 average, went to the bench with two fouls in the game's opening two

No. 2 North Carolina 86, No. 10 Cincinnati 76: In Charlotte, North Carolina, sophomore Jeff McInnis scored a career-high 23 points, and North Carolina survived second-half foul trouble to win the Tournament of Champions. McInnis scored 16 of his points in the second half, including 10 in the final 5:21.

No. 4 Arkansas 94, Missouri 71: In Columbia, Missouri, Scotty Thurman scored 27 points and hit two of five 3pointers in a 32-second span in the second half to break up a close game, as Arkansas defeated Missouri. Clint McDaniel added 20 points for Arkansas as the Razorbacks ended the Tigers' 17-game home winning

No. 6 Duke 70, Illinois 65: In Chicago, freshman guard Tra-jan Langdon scored all 12 of his points in the second haif as the Blue Devils fought off the Illini to continue their mastery of Big Ten competition. Duke scored the final six points in the first UMass Coach John Calipari college game at the United Cen-

No. 8 Florida 81, No. Wake Forest 70: In Greensthem with one player."

No. 5 UCLA 82, No. 3 Kening a run in the second half. the Demon Deacons from makthe outside shooting of Ran-

> Settles scored 26 points as the championship for the 12th time in 13 attempts. The Bobcats have lost two of its last three

No. 19 Georgetown 74, De-Paul 68: In Landover, Maryland, freshman guard Allen Iverson scored 16 of his teamhigh 31 points in the closing 6:54 to help boost Georgetown past DePaul. (LAT, AP) (LAT, AP) The Bullets' Chris Webber harassing Patrick Ewing during the Knicks' 111-95 victory.

17 Bad loser's

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57 Litigates

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45 Golf pegs

48 Guided

42 Kind of service

37 Delay

25 A few

21 Pacific Rim



Cowboys' Michael Irvin celebrating his touchdown Sunday with teammate Alvin Harper, as Dallas beat the Eagles.

# Patriots Stomp On Jets' Hopes

 Ricky Reynolds raced 11 downed the ball at the I. yards with an interception for a

Art Monk tied Steventree Steventree and Art Monk tied Steventree and Art touchdown, carrying New England closer to the playoffs and stomping on New York's hopes Sunday, as the Patriots beat the Jets, 24-13.

Tortured by turnovers this season against the Jets, the Patriots finally capitalized on one of their own. Reynolds' theft rve them a 17-13 lead with 3:51 left in the third quarter.

With three games left, the Patriots improved to 7-6 with their fourth straight victory as they

#### NFL ROUNDUP

Football Conference East rival NFC East title. Jets fell to 6-7.

Boomer Esiason threw near loss. Ryan Yarborough on the left touchdown of the year.

On the previous possession. the Patriots had a fourth-and-7 at the New York 31. Punter Pat

also was good from 21 and 35 yards as

Army took a 45-43-7 lead in the series.

for 126 yards as Army (4-7) won by

running up the middle against Navy (3-

8). The Cadets ran for 373 yards on 70

carries. Kevin Vaughn carried 20 times

leader, was 24-of-34 for 361 yards, two

tight end Kevin Hickman gave the Mid-shipmen a 20-19 lead late in the third

quarter before Army marched for the

then loped down the sideline for a 56-

Hickman took a screen pass, eluded

Jim Kubiak, Navy's career passing

An impressive catch and run by Navy

for 92 yards, 80 in the second half.

touchdowns and three interceptions.

Quarterback Ronnie McAda rushed

FOXBORO, Massachusetts feetly, and tackle Todd Rucci

Art Monk tied Steve Largent's NFL record of 177 straight games with at least one

The game was tied 10-10 at halftime, and all the Jets' points came after turnovers. Esiason's 15-yard scoring pass to Monk followed a fumble by Lerov Thompson. Nick Lowery's 46-yard field goal four seconds before halftime was set up by James Hasty's interception of

Drew Bledsoe. Cowboys 31, Eagles 19: Emmitt Smith, carried 25 times for 91 yards and two touchdowns seek their first playoff berth in over Philadelphia and clinch eight years. Their American the Cowboys' third straight

Michael Irvin had 117 vards A fake field goal that turned and a touchdown on four recepinto a punt pinned the Jets at tions. It was Dallas's 14th their I-yard line. After Richie successive NFC East victory Anderson ran twice for 4 yards, and the Eagles' fourth straight

The Eagles (7-6) rallied when side. Reynolds cut in front, Randall Cunningham's second caught the ball and cruised to touchdown pass of the game cut the Patriots' first defensive the Dallas lead to 24-19 in the fourth quarter.

But after a 49-yard punt re-turn by Jeff Sydner gave Phila-delphia the ball on the Cowboys' 12, Darren Woodson intercepted Cunningham's pass and ran it back 94 yards for the touchdown

that sealed the victory. Steelers 38, Bengals 15: In Cincinnati, Bam Morris rushed for 108 yards and a pair of touchdowns, and Rod Woodson returned one of Pittsburgh's two interceptions for a TD as the Steelers roughed up Cincinnati to clinch a playoff spot.

Pittsburgh (10-3) came into the game tied with Cleveland for the AFC Central lead. The teams meet in Pittsburgh in two weeks for a game that probably will decide the division title.

The victory clinched at least a wild card for the Steelers. Morris, filling in while Barry Foster rested his sore back, went I yard for a touchdown on the Steelers' first possession. The Bengals responded with Jeff Blake's 56-yard pass to Carl Pickens that set up his 7yarder to Pickens. The Steelers them clamped down, holding

Blake to 93 yards passing the

Buccaneers 26, Redskins 21: In Tampa, Florida, Craig Erickson's quarterback sneak with 32 seconds remaining gave Tampa Bay a victory over Washington and consecutive victories for the first time since September 1992. Erickson capped an 11-play. 80-yard drive featuring the run-ning of Errict Rhett, who

gained a Bucs' rookie record of 192 yards on 40 carries, and completions of 19 yards to Courtney Hawkins and 13 yards to Lawrence Dawsey. The Redskins, who used An-

dre Collins' 92-yard interception return and long scoring passes from Heath Shuler to Desmond Howard and Olanda Truitt to take a 21-17 lead, squandered an opportunity to stop the march when a potential game-saving interception bounced off Darryl Morrison's chest.

Erickson was 18-for-35 for 251 yards and one touchdown. Shuler finished 13 of 25 for a season-high 278 yards, two TDs and one interception.

■ Seattle Tackle Paralyzed

Mike Frier, 25, the defensive tackle for the Seattle Seahawks, is paralyzed as a result of a traffic accident in which he suffered severe spinal injury. He is unable to move his legs and has little movement in his arms. After surgery on Friday to fuse two neck vertebrae, doctors predicted there is a 90 percent chance that Frier will remain a

# Florida Derails Alabama's National Title Chase

By Malcolm Moran New York Times Service

ATLANTA - Alabama's hopes for a second national championship in three years, came crashing down in the din of the Georgia Dome, where the Florida

Gators answered two questions. Once and for all, they demonstrated that they could come from behind, and that they could win a close game.

The Gators beat the Crimson Tide, 24-23, on Saturday to win the Southeastern Conference championship game on Chris Doering's 2-yard touchdown catch from the shaken quarterback Danny Wuerffel, then Eddie Lake's interception of Jay Barker's pass with 51 seconds to play.

Alabama, which had been tied or behind during the second half in 7 of its 11 hop off the top of Samuel's helmet. victories this season, finally ran into a

right shoulder had been injured during the first half.

Florida (10-1-1) won a second consecperfect season, and a chance to win a utive SEC title for the first time in school history. The Gators advanced to give the Gators a chance to regain the the Sugar Bowl, where they will play a rematch against Florida State. Alabama touchdown, Stallings decided to have (11-1) will receive as consolation prize a spot in the Florida Citrus Bowl against Ohio State.

Alabama was given the lead with 5 minutes, 29 seconds to play when linebacker Dwayne Rudd returned a deflected pass by Wuerffel 23 yards for a touchdown. Wuerffel could have thrown a short pass over the middle to running back Fred Taylor, but chose to throw to his right, toward Aubrey Hill. Sophomore cornerback Cedric Samuel hit Hill,

Rudd picked it off on the carom and ran up the left sideline for the 23-yard "I thought we'd pull it out again, like touchdown that gave the Tide its first we've done before," said Barker, whose lead since the first quarter.

"I thought we'd pull it out again, like touchdown that gave the Tide its first fourth defeat of the Midshipmen in the we've done before," said Barker, whose lead since the first quarter.

"I thought we'd pull it out again, like touchdown that gave the Tide its first fourth defeat of the Midshipmen in the last five years. Heiss, a senior whose again.

(AP)

But even as the Alabama fans in the previous best was a 37-yard field goal, record Georgia Dome crowd of 74,751 celebrated, the Tide's coach, Gene Staliings, made a decision that would soon kicker Michael Proctor, who had made field goals of 22, 47, and 48 yards, kick

the extra point for a 23-17 lead. The Gators quickly took advantage by producing an 80-yard drive that endwith Doering's reception of Wuerffel's quick pass from the 2-yard line to give Florida the lead.

Jack Jackson, the junior wide receiver who led the Gators with 56 receptions and 15 touchdowns in 11 games, had left the game with a dislocated shoulder after catching a 5-yard pass on Florida's what would have been a tackle for a loss,

third play of the game. then loped down the sidenne for a so
• Kurt Heiss' 52-yard field goal with yard touchdown that was the longest reception in his career. Navy failed on 6:19 left gave Army a 22-20 victory over Navy in Philade phia. It was the Cadets

# Hawks Pressure O'Neal To Halt Magic, 107-105

winning field goal.

The Associated Press Knicks 111, Bullets 95: In ATLANTA (AP) — Jon New York, Charles Smith Koncak's tenacious defense on scored 23 points and the Shaquille O'Neal earned him a Knicks' reserves made key conchance to beat the Orlando tributions as New York re-Magic from the free-throw line, grouped from a 25-point loss to as well the respect of the Na-the Magic the previous night. tional Basketball Association's Patrick Ewing had only 3 points

O'Neal committed an offensive foul with 32 seconds left, sending Koncak to the line where he made one shot, breaking a 105-105 tie Saturday. The Hawks won, 107-105, ending Orlando's nine-game winning

"Remember, this Jon Koncak is the greatest defensive player in the world. He never fouled me once," O'Neal said after the game.

O'Neal still led all scorers with 27 points, coming off nights of 38 and 41 points. His season average is 31.7 points per game. Ansernee Hardaway added 26 points for Orlando and Nick Anderson 19.

Atlanta's Stacy Augmon hit a 12-foot jumper to tie the game at 105 with 53 seconds left.

**NBA HIGHLIGHTS** in limited minutes, but reserve Anthony Mason had 22 points.'

Pistons 107, Suns 97: In Auburn Hills, Michigan, Grant Hill and Mark Macon led an 11-0 third-quarter run that helped Detroit beat Phoenix. Charles Barkley led the Suns with 20 points and 10 rebounds. Bulls 125, Celtics 109: In

Chicago, Scottie Pippen, coming off his lowest-scoring game in more than a year, had 26 points to lead Chicago over Boston. Pippen, who scored 9 points on 4-of-14 shooting in Friday's loss to Atlanta was 11of-15 in 30 minutes against the Celtics and held Boston's top scorer, Dominique Wilkins, to 12 points.

# CORUM

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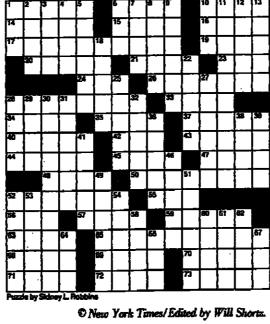
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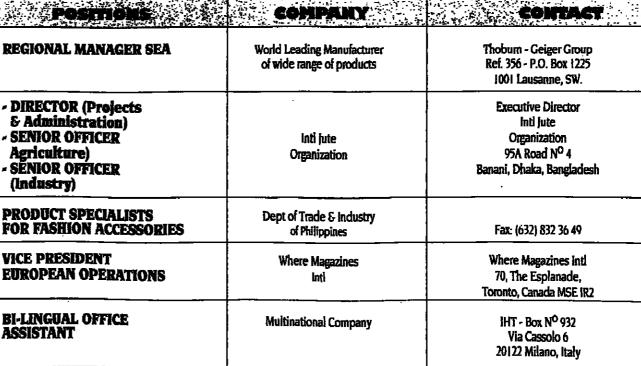
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#### INTERNATIONAL RECRUITMENT You will find below a listing of employment offers published in last Thursday's International Herald Tribune COMPANY



#### LANGUAGE

# Rottweiler Signals From Newt

By William Safire

WASHINGTON — "It is hardly news that Newt Gingrich is not Mr. Nice Guy in politics," wrote my Op-Ed colleague Anthony Lewis. "But his signals that he is going to stick to the Rottweiler game matter a lot."

Here we have what hypersensitive dog lovers could take to be a pejorative reference to the Rottweiler, a large black-and-tan dog named after a town in southwest Germany. Because of their fearsome aspect (though not because of any vicious trait in the breed), these dogs have become the second most popular breed in the United States.

Liberal critics of draconian social policy can hardly afford to lose the support of 104,160 registered Rottweiler owners, so I sent Tony this fax: "What have you got against Rottweilers?" In a return fax from Boston, he dismissed my concern about his impolitic allusion with a brief "arf!" and added: "I thought you'd like the Shakespeare."

As a founder of the Poetic Allusion Watch (its acronym, PAW, is not intended to be a canine slur), I combed through the Lewis column looking for some play on a Shakespearean phrase. Finally, my glance lighted on the headline, where the clue lay like a purloined letter: "Eye of Newt." Of course: the witches of "Macbeth." A concordance guided me swiftly to Act IV, Scene 1, as the second witch stirs the pot and recites the recipe:

Fillet of a fennysnake, In the cauldron boil and bake; Eye of news, and toe of frog.

A new is a small lizard related to the salamander and sometimes confused with a spotted eft. In Washington these days, however, Newt is the shortened form of the first name of Newton

Leroy Gingrich, of Georgia.

Newt will presumably be elected speaker of the House of Representatives when the 104th Congress assembles in January, because Republicans will form the majority. However, because that election has not yet been held, journalists have struggled with a title. Speaker-to-be is a popular choice, though the jocular Speaker-in-waiting, a play on the royal lady-in-waiting, is sometimes used. Speaker-designate is sometimes heard on television. Putative is a more standard usage, meaning "supposed"; other choices are likely, allbut-certain and the simple but not provable next. Some writers have drawn on royal usage for Speaker-presumptive; Adam Clymer of The New

York Times slipped me Speaker-presumptuous.

The noun phrase most often tossed at Newt is bomb thrower. "People who dismissed Gingrich as a cartoonish homb thrower underestimated him," William Sternberg wrote in the June 1993

Atlantic. Though this phrase is still applied to him in most profiles, the role and the title are moving on to the next House majority leader, Richard Armey of Texas, identified by Newsweek as "second in command to Newt and the designated bomb thrower when Gingrich is forced to play statesman."

The phrase in a quasi-literal sense was applied in politics to anarchists early in the century, shown by cartoonists as bearded men with large bombs in their hands. The figurative sense — "a divisive or disruptive radical" — seems to have taken hold in the '80s, but earlier citations would be welcomed.

The linguistic bomb tossed by Newt Gingrich was the distinction he drew between cooperate and compromise. "On everything on which we can find agreement, I will cooperate," the man of the hour said after the Republican sweep. "On those things that are at the core of our philosophy . . . there will be no compromise.

Cooperate, no longer hyphenated, comes from the Latin operari, "to work," and the preceding co-, "together." Oliver Goldsmith wrote in "The Citizen of the World" in 1762 that "It is . . . difficult to induce a number of free beings to cooperate for their mutual benefit," an observation being made again in the White House.

Compromise is a word with both a positive and a negative connotation. The Latin com-, like co-, means "together"; the end promise is, of course, a pledge; the Latin compromittere means "to promise mutually."

The positive sense is "to come to agreement through mutual concession." But a second, more sinister sense has long been with us: "To speak truth, I compromised matters," confessed a character in Charlotte Bronte's novel "Villette": "I served two masters." That usage led to the definition "to agree by the partial surrender of position or principles." And to be caught in an embarrassing position is to be compromised.

The meaning is not so much in the dictionaries as in the mind of the user. To the tender-minded, compromise is a necessary accommodation leading to agreement; to the tough-minded, the synonym for compromise is sellout, leading to betrayal of values. In carefully differentiating, Gingrich was saying he would work together with Democrats to pass conservative legislation, but would not make concessions to pass or preserve liberal

A politician of any stripe who welcomes controversy and splits hairs over words is sure to be a lexicographer's delight. After the "eye of Newt" is added to the steaming brew, all the witches sing: Double, double, toil and trouble;

Fire burn, and cauldron bubble.

New York Times Service

# Art Malik Goes Looking for Mr. Bad Guy

By Susan Keselenko Coll

ONDON - Despite his best efforts, Art Malik still finds himself mistaken for the good guy. On location in Washington, playing the part of an Arab terrorist who threatens to nuke Miami, Malik was accosted by a fan who had just seen him in a television renn of the decade-old "The Jewel in the Crown."

"My God! What are you doing?" squealed the fan. Malik explained that he was working on James Cameron's "True Lies," this year's mindless megaaction thriller. "What, with Arnold [Schwarzenegger]?" asked the fan, confused. And then, with obvious disappointment, "Why are you doing that?" Since his portrayal of Hari Kumar - the brood-

ing romantic, wronged young Indian in the epic television adaptation of Paul Scott's "Raj Quartet" - Art Malik has spent 10 years answering to fans who would like to see him preserve his celluloid integrity. In response, the actor has vecred toward playing evil characters. From the razor-wielding thug in "City of Joy" to the terrorist in "True Lies," to a stint as an Indian serial killer, Malik says he has engaged in a deliberate attempt to obliterate Kumar,

his fictional alter ego.

This is easier said than done. For one thing, reruns of the 14-part Granada television program continue to air intermittently around the world and are often received with a cult-like reverence. And then there are subtle ways in which Art Malik is Hari Kumar: Both were born on the Indian subcontinent, both spent time at English private schools, and both feel torn between two worlds. "For anybody in a migrant society," says the Pakistani-born actor, "there will always be an element of Hari Kumar in them." Still, Malik seems bemused by his character's

enduring appeal. "I don't know if people really love or lust or anything. I think they just wanted to take Hari Kumar home and protect him and say, You poor thing. In my home, they'll never get you. The trouble is they'd be taking Art Malik into their home, which would be a different kettle of fish."

They could probably do worse. At 42, looking deliberately disheveled with a chin of stubble and thinning, spiky dark hair, the actor still oozes charm. At his modest suburban house, toys scattered about the sitting room, Malik says he is a devoted family man who brings his wife and two daughters on location whenever possible. He has lived in London since the age of 3, and can see no real reason to buy into the Hollywood dream even at a time when it finally seems to beckon.

"My manager at the moment is tearing his hair at," says Malik. "He's basically saying, 'Hey, look. You've just been in this huge American success, it's brilliant, you're hot, you're high profile over here. We need to get you out here!

But aside from a reluctance to uproot his family, Malik is put off by Hollywood's myopic vision. "If Hollywood suddenly starts changing, and changes



Malik is in a position to be choosy about roles.

its whole attitude, I'll be the first to change my opinion. I think that what Hollywood has to do is stop thinking that the rest of the planet is being duplicated by the way in which people in Los Angeles and New York live their lives."

At the moment, anyway, Malik is in a position to be choosy. He has just agreed to an initial eightmonth run in a new Tom Stoppard play, "India Ink," which will open in London in February. He recently finished work on two other films: Disney's "A Kid in King Arthur's Court," scheduled for release next year, and Vadim Jean's "Clockwork Mice," which he says is scheduled to premiere at

Things haven't always been so good. Despite his promising launch in "The Jewel in the Crown," work has not always been steady. He has appeared in several British television programs, a spate of minor films, and "A Passage to India" and "City of Joy." But there have been periods of unemployment and financial despair spent lamenting the weak state of the British film industry.

The bleakest period came just prior to landing the terrorist's role in "True Lies." After completing "City of Joy" in 1992, Malik finally gave in and moved to Hollywood in an attempt to find work, But he says that the actor Patrick Swayze, a friend, convinced him that there were more important things in life than striking it big in L.A. "He was telling me how wonderful my wife is; how wonderful my children were, and I sat there thinking, 'Yeah! What am I doing here? That was a Saturday. I was on the plane on Sunday."

Malik, raised as a Muslim, is not without qualms about the politics of "True Lies," which portrays him as the psychopathic leader of a fictitious Arab sect. "I mean, if I wanted to do something that would help the Arab cause, 'True Lies' wouldn't have been the vehicle that I would have chosen," he says. But he defends the film, which Arab groups in America found objectionable, as pure entertainment. "Nobody does 'True Lies' to send out a message to anybody. It's pure escapism." fietnan In Amer Ire Look

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"Here is a chance to actually be working on the cutting edge of the technology," he continues. "And when a script arrives from somebody like Jim Cameron, you have to take it seriously as an actor."

Malik says he is constantly asked whether he is bored with being typecast. And though at an earlier point in his career he did complain about roles that required the persistent exploration of his Asian roots, he no longer sees it that way.

"Where's the typecasting between playing Aziz in the most expensive movie ever made to playing Hari Kumar? The only similarity that exists is probably the fact that the pigment of my skin is one noticeable factor which makes the believeability of those characters not a problem."

As for all the Kumar-smothering bad-guy roles, Malik says he finally may have had enough. He plays yet another such role in the forthcoming Disney film. "There comes a point in your life where you start thinking. Well, what am I actually doing [by playing] all of these terribly dark people, these loners, these people that have no real faith?"

Apart from the forthcoming theater work, which will again transform him into a more peaceable character, Malik entertains the fantasy of some day directing, and perhaps forming his own production company. There's another plan afoot as well:

"Sharing a trailer park with Arnold led me to believe that maybe I should open my own Indian restaurant," he says. Why is that? "Mainly because Amold said, 'I don't understand you. Here you are, you're big and everything, and you don't DO anything! Why don't you open a restaurant in London? He says he just might.

Susan Keselenko Coll is a free-lance writer living in:

#### WEATHER

# Forecast for Tuesday through Thursday, as provided by Accu-Weather. Low W CF 12/25 a 1/31 a 9/48 a 9/48 a 1/31 b 1/37 b 1/37 b 1/32 a 1/32 a 1/34 a

North America

Latin America

Today
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20:66 2:77 pc 3:396 22:71 s
3:68 14:57 c 32:69 14:57 c
5:41 3:57 s 3:46 2:25 s
14:57 3:47 s 15:61 6:43 s
28:82 24:75 sb 28:22 22:71 17:62 sh
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#### **POSTCARD** Dinner Parties for the '90s: An Educational Experience

By Molly O'Neill

New York Times Service NEW YORK — Ah, for the days of Champagne and caviar, those halcyon 1980s, when a hostess needed only to produce a culinary extravaganza, summon professionally accomplished people to dinner and watch as the expensive food became the lodestar of powerful network-

There was a certain ease in knowing that fabulous dinner parties could be bought. But that ease is fading as the pendulum of popular taste swings away from conspicuous consumption.

Like table manners, fashions in entertaining tend to be amulets against society's current worry. Whether cooked at home or catered, costing a small fortune or very little, parties are snapshots of the culture. After the excessive '80s, for instance, hosts initially rushed to serve abstemious dinners - displays of anti-decadence - issuing invitations requesting that guests reply with their particular dietary preferences.

have been trying to create an ambience to assuage the intellect.

It's the smart dinner of the mid-'90s. Rather than trust serendipity, some hosts have resorted to staging their meaningful conversations.

Bertram Fields, a powerful Hollywood lawyer, and his wife, Barbara Guggenheim, an art dealer, for instance, give "nistory" tell, a historian who once was host for a radio talk show, directs the predinner conversation at parties that include writers, academics and actors like Dustin Hoff-

man, Warren Beatty and Annette Bening. "My wife and I began the dinners to educate ourselves," Fields said. "But one friend told another, and now we have peo-ple who are insulted that they haven't been invited.

Doyennes are throwing studious din-ners, too, in Kansas City, Missouri; Seattle and Miami. Last week, a party of eight gathered in the home of a philanthropist in

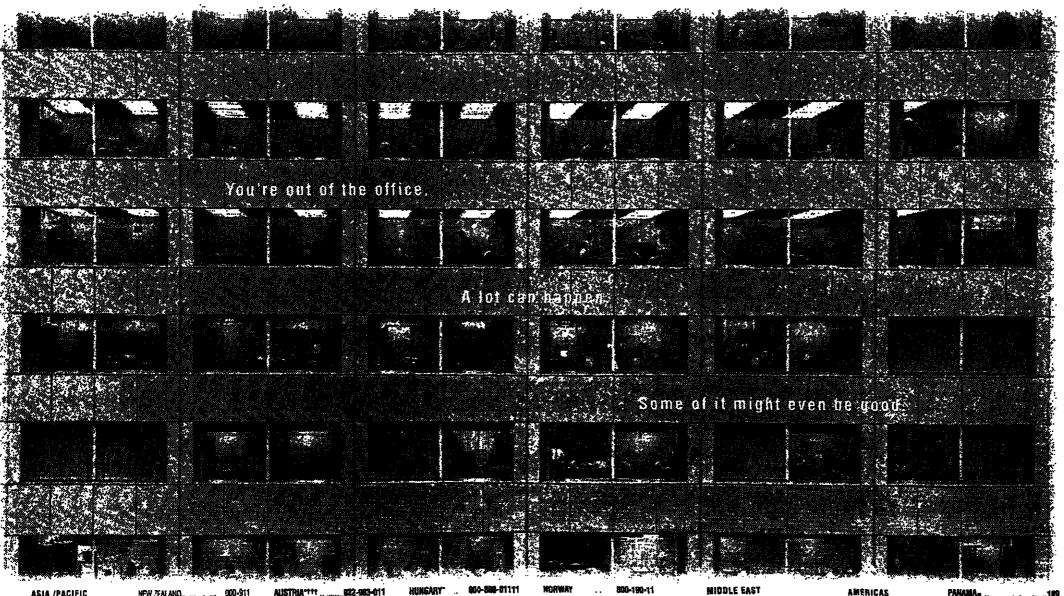
As public discussions about the "dumbing of America" have proliferated, hosts

Columbus, Ohio, to discuss the history of the underground railway in that state.

Still, the academic-theme dinner parties will probably go the way of the '50s Han waiian luan. The smart dinner party is at once an overreaction to the banal dinners of the '80s and similar to them.

Both parties exaggerate one component of a memorable evening—be it indulgence or earnestness. But as Fields noted, the academic conceit can curtail conversation. very much want to talk." Maybe, as the '90s creep toward the millennium, people are eshewing indulgence because they need

Analyzing data from the 10,000 people that the Leo J. Shapiro Co. interviews each year about their habits and life styles. George Rosenbaum, the market research company's president, noted "an over-whelming increase in people who feel isolated in their achievements and uneasy about the future." Such people, Rosenbaum said, are less impressed by success than by meaningful conversation.



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